

COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE MEETING

Date: Tuesday 1 December 2020
Time: 6.30 pm
Venue: Remote Meeting: The public proceedings of the meeting will be broadcast live and recorded for playback on the Maidstone Borough Council Website

Membership:

Councillors M Burton, Joy, Khadka, Mortimer (Chairman), Powell (Vice-Chairman), Mrs Robertson, D Rose, M Rose and Young

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

AGENDA

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1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Disclosures by Members and Officers
6. Disclosures of Lobbying
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
8. Minutes of the Meeting Held on 3 November 2020 1 - 3
9. Presentation of Petitions (if any)
10. Questions and answer session for members of the public (if any)
11. Questions from Members to the Chairman (if any)
12. Committee Work Programme 4
13. Reports of Outside Bodies
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Issued on Monday 23 November 2020

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

15. 2nd Quarter Financial Update & Performance Monitoring Report 2020/21	12 - 36
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INFORMATION FOR THE PUBLIC

In order to ask a question at this remote meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 27 November 2020). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 5p.m. one clear working day before the meeting (i.e. by 5p.m. on Friday 27 November 2020). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

To find out more about the work of the Committee, please visit www.maidstone.gov.uk.

Should you wish to refer any decisions contained in these minutes to the **Policy and Resources Committee**, please submit a Decision Referral Form, signed by **three** Councillors, to the **Head of Policy, Communications and Governance** by: **20 November 2020**

MAIDSTONE BOROUGH COUNCIL

COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 3 NOVEMBER 2020

Present: Councillors M Burton, Joy, Khadka, McKay, Mortimer(Chairman), Powell, Mrs Robertson, D Rose and Young

Also Present: Councillor Kimmance

72. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor M Rose.

73. **NOTIFICATION OF SUBSTITUTE MEMBERS**

Councillor McKay was present as Substitute Member for Councillor M Rose.

74. **URGENT ITEMS**

There were no urgent items.

75. **NOTIFICATION OF VISITING MEMBERS**

Councillor Kimmance was present as Visiting Member for Item 14 – Community Resilience Working with the Voluntary and Community Sector and Parish Councils.

76. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

77. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

78. **EXEMPT ITEMS**

RESOLVED: That all items be taken in public as proposed.

79. **MINUTES OF THE MEETING HELD ON 6 OCTOBER 2020**

RESOLVED: That the Minutes of the meeting held on 6 October 2020 be approved as a correct record and signed at a later date.

80. PRESENTATION OF PETITIONS

There were no petitions.

81. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

82. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

83. COMMITTEE WORK PROGRAMME

It was noted that a Heather House Update report would be presented to the Committee in January 2021, with the GP Provision Briefing Note delayed.

It was requested that a Planning Officer attend the 1 December 2020 Committee meeting for the presentation of the MBC Provided Gypsy and Traveller Sites report.

Two reports that concerned the RSPCA Guidance on Fireworks and Local Nature Reserves would be presented to the Committee when further information could be provided.

RESOLVED: That the Committee Work Programme be noted.

84. REPORTS OF OUTSIDE BODIES

There were no reports of Outside Bodies.

85. COMMUNITY RESILIENCE WORKING WITH THE VOLUNTARY AND COMMUNITY SECTOR AND PARISH COUNCILS

The Policy and Information Manager introduced the report following the important work of various community groups and Parish Councils during the covid-19 lockdown period. The Council wished to improve its working relationship with these organisations, with three learning objectives to achieve this outlined to the Committee.

A Local Compact was recommended to instil a robust framework against future emergencies. This would have resource implications for the Policy and Information Team, but as the Compact was an existing model, various best practice resources were available. A change to the Parish Charter to include an additional principle, or an expansion of the 'Leadership' principle, to outline the roles of both the Council and Parishes in conducting an emergency response was suggested. The increased dialogue between the Council and Parishes was highlighted, with a monthly newsletter, monitored parish inbox and joint webinars with Maidstone KALC and the Council's Leader and Deputy Leader noted.

The proposed development of a central repository of key contacts would be held and publicised by the Council for public use and include a point of contact from within the Council. The support provided by INVOLVE during the lockdown period was noted, however there were weaknesses in the Council's community support arrangements. The repository's development could be undertaken by the working group supporting the ongoing Access to Services Review to utilise Member knowledge of the groups operating within their ward.

The Committee recognised the positive work undertaken by Parish Councils, and voluntary, community and faith-based groups during the lockdown period. Concerns were expressed that the groups that operated within non-parished areas were not as well recognised within the proposals. The Head of Policy, Communications and Governance confirmed that an email inbox would be created for both Parish Councils and other community groups, to ensure a point of contact for both types of organisation within the Council.

There were concerns of duplication of work, as within the Service Level Agreement between the Council and INVOLVE, the latter were required to provide a composite list of all voluntary and community groups within the borough. The Head of Housing and Community Services was in discussions with INVOLVE to ascertain whether this agreement remained feasible given the organisational change and growth within the organisation in recent months. It was confirmed that many of the voluntary and community groups in operation were included within an original repository created by the Council at the beginning of the lockdown period.

RESOLVED: That

1. Local partners are consulted with the intention to develop a local compact for Maidstone which will include representative roles and mutual support in emergencies;
2. The Access to Services Review expand its remit to include building a repository of community organisations across the Borough;
3. The Parish Charter be amended subject to the agreement of Parish Councils to reflect their important role in emergencies;
4. The provision of Parish Council newsletters and joint webinars with KALC to ensure regular communication and feedback, be noted;
5. A short update report be presented to the Committee in February 2021; and
6. A progress update be presented to the Committee in April 2021.

86. DURATION OF MEETING

7.30 p.m. to 8.26 p.m.

2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Digital Garden Waste Payment System	CHE	05-Jan-21	Officer Update	No	William Cornall	Graham Gosden
Resettlement Policy	CHE	05-Jan-21	Officer Update	?	John Littlemore	Hannah Gaston
Community Protection Function Review	CHE	05-Jan-21	Officer Update	?	John Littlemore	John Littlemore
MBC Provided Gypsy and Traveller Sites	CHE	05-Jan-21	Cllr Request	No	William Cornall	John Littlemore
Medium Term Financial Strategy & Budget Proposals 2021/22	CHE	05-Jan-21	Governance	No	Mark Green	Ellie Dunnet
Homelessness Horizon Scanning - Possession Proceedings	CHE	05-Jan-21	Officer Update	No	John Littlemore	John Littlemore
Q3 Budget and Performance Monitoring 2020/21	CHE	02-Feb-21	Officer Update	No	Mark Green	Ellie Dunnet
GP Provision - Briefing Note	CHE	TBC	Cllr Request	No	Alison Broom	Alison Broom
Local Nature Reserves Update Report	CHE	TBC	Cllr Request	No	Andrew Williams	Deanne Cunningham
Parks Delivery Plan for Biodiversity	CHE	TBC	Officer Update	No	Jennifer Shepherd	Andrew Williams

**COMMUNITIES, HOUSING &
ENVIRONMENT COMMITTEE**

1 December 2020

RSPCA Campaign Concerning Fireworks

Final Decision-Maker	Communities, Housing & Environment Committee
Lead Head of Service	John Littlemore Head of Housing & Community Services
Lead Officer and Report Author	John Littlemore
Classification	Public
Wards affected	All

Executive Summary

The Royal Society for the Prevention of Cruelty to Animals (RSPCA) is lobbying local authorities to support its campaign to help reduce the negative impact of loud fireworks on pets and animals. This report provides the basis for the Committee to be able to endorse the approach being promoted by the RSPCA.

Purpose of Report

To consider the Committee's response to the RSPCA campaign with regard to fireworks; to understand the role of a district council in relation to the sale and public displays; and what action (if any) the Committee may choose to take.

This report makes the following recommendations to this Committee:

1. That the Committee agrees the actions set out at Paragraph 3.1 of this report in support of the RSPCA campaign around the use of fireworks.

Timetable

Meeting	Date
Communities, Housing & Environment Committee	1 st December 2020

RSPCA Campaign Concerning Fireworks

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none"> • Safe, Clean and Green • We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council’s overall achievement of its aims as set out in section 3. 	Head of Housing & Community Services
Cross Cutting Objectives	<ul style="list-style-type: none"> • Biodiversity and Environmental Sustainability is respected 	Head of Housing & Community Services
Risk Management	<ul style="list-style-type: none"> • Already covered in the risk of the report’ 	Head of Housing & Community Services
Financial	<ul style="list-style-type: none"> • The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation. 	Head of Housing & Community Services
Staffing	<ul style="list-style-type: none"> • We will deliver the recommendations with our current staffing. 	Head of Housing & Community Services
Legal	<ul style="list-style-type: none"> • The recommendations in the report do not have a direct legal implication. 	Head of Housing & Community Services
Privacy and Data Protection	<ul style="list-style-type: none"> • Accepting the recommendations will not directly impact on the Council’s responsibilities around privacy and data protection. 	Head of Housing & Community Services
Equalities	<ul style="list-style-type: none"> • The recommendations do not propose a change in service therefore will not require an equalities impact assessment 	Head of Housing & Community Services

Public Health	<ul style="list-style-type: none"> We recognise that the recommendations will have a positive impact on population health or that of individuals. 	Head of Housing & Community Services
Crime and Disorder	The recommendation will not have a direct impact on Crime and Disorder.	Head of Housing & Community Services
Procurement	None identified	Head of Housing & Community Services

2. INTRODUCTION AND BACKGROUND

2.1 Members have asked the Chair of the Communities, Housing & Environment to prepare a report on the RSPCA’s campaign to encourage councils in England to adopt a set of principles around the use of fireworks at public displays.

2.2 In particular, the RSPCA campaign suggests that councils adopt the following:

- i. require all public firework displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people
- ii. actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks
- iii. write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays
- iv. encourage local suppliers of fireworks to stock ‘quieter’ fireworks for public display.

2.3 The full RSPCA document can be found at Appendix 1 attached to this report.

2.4 The campaign literature acknowledges that there is a gap in the current regulations to achieve all their aims and this will require parliament to agree to either amending or introducing new legislation. The campaign literature does not distinguish between the allocation of roles in a two-tier area such as Kent, which means that not all of the actions suggested can be implemented by Maidstone Borough Council.

2.5 The sale and use of fireworks is regulated by national legislation (see: <https://www.gov.uk/fireworks-the-law>) and it is Kent County Council's Trading Standards who regulate the supply and sale of fireworks. Government guidance states:

"The law says you must not set off or throw fireworks (including sparklers) in the street or other public places.

You must not set off fireworks between 11pm and 7am, except for:

- *Bonfire Night, when the cut off is midnight*
- *New Year's Eve, Diwali and Chinese New Year, when the cut off is 1am"*

2.6 The RSPCA leaflet advises that while fireworks "can bring much enjoyment to some people, they can cause significant problems and fear for other people and animals. They can be a source of fear and distress for many animals (including pet animals, farm livestock and wildlife). Animals affected not only suffer psychological distress but can also cause themselves injuries – sometimes very serious ones – as they attempt to run away or hide from the noise."

2.7 The Council has a role in receiving applications for Temporary Event Notices and consideration of granting licenses in respect of premises carrying out certain functions, such as the sale of alcohol. There is no historical pattern to suggest that the Council receives a significant number of notifications for TENS or events that include the use of fireworks. Nor have there been objections raised by the responsible authorities that relate directly to the use of fireworks.

2.8 When considering imposing conditions on a licence, the licensing authority must ensure that the conditions are relevant, necessary, and proportionate. The licensing authority must also have regard to the principle that conditions should relate to the individual application. Imposing blanket conditions around fireworks would therefore be open to challenge, as there is no evidential basis for doing so in Maidstone;

2.9 The purpose of the Safety Advisory Group (SAG) is to enable a range of experts from various fields to be brought together in order to advise event organisers on planning for and delivering a safe environment for those attending and providing events. The SAG does not have a regulatory role in granting or refusing events from going ahead. Advice would be given about the use of fireworks if that were relevant to the event and this could extend to encouraging event organisers to use quieter fireworks, however, this could not be imposed through the SAG.

2.10 Currently the Council does not expressly impose restrictions around the use of fireworks on its land, including those spaces that it hires for functions or events. Each application is considered on its merits having taken advice from the relevant internal services such as Parks & Open Spaces. Any amendment to the existing approach may need to be considered by the Economic Regeneration and Leisure Committee, which could be made by a reference from this Committee.

3. AVAILABLE OPTIONS

3.1 In line with the RSPCA campaign the Committee could agree to:

- i. Encourage providers of public firework displays, notified through the Council's SAG process, to be advertised in advance of the event; allowing residents to take precautions for their animals and vulnerable people
- ii. Promote a public awareness campaign at relevant points in the year about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks
- iii. Write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays

3.2 Alternatively, the Committee could decide to do nothing in relation to this topic.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The preferred option is 3.1, which would enable the Council to undertake both raising awareness of the concerns expressed about the distress caused to animals and vulnerable people; and encouraging responsible use of fireworks in order that people may continue to enjoy public displays.

5. RISK

5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. REPORT APPENDICES

Appendix 1. RSPCA Campaign document



Draft motion for councils on fireworks

Fireworks are used by people throughout the year to mark different events. While they can bring much enjoyment to some people, they can cause significant problems and fear for other people and animals. They can be a source of fear and distress for many animals (including pet animals, farm livestock and wildlife). Animals affected not only suffer psychological distress but can also cause themselves injuries – sometimes very serious ones – as they attempt to run away or hide from the noise.

The unpredictable, loud and high intensity noises that many fireworks make can cause fear.

For example, studies have found fireworks to be the most common cause for fear responses in dogs¹, and it is estimated that 45 percent of dogs show signs of fear when they hear fireworks². A New Zealand survey recorded 79 percent of horses as either anxious or very anxious around fireworks or over the Guy Fawkes Day period³.

Debris produced by fireworks, if found on the ground, can also pose a hazard to animals, such as horses and farm livestock.

Although there is limited direct evidence, it is also likely that fireworks and their debris will cause disturbance to wildlife, and are likely to cause suffering or distress, depending on the distance from the explosive and the noise level.

The short-lived nature of firework noise can make it difficult for the police or local authority officers to pinpoint locations and take action.

The RSPCA believes that a licensing system would help with better enforcement of the law by allowing enforcement bodies to know where licensed events are being held so they can focus on locations and incidents elsewhere.

The RSPCA believes there is a real need to raise awareness amongst owners of animals about fireworks phobia.

This phobia can be treated (in dogs at least) in the long term but owners need to prepare themselves and their pets sooner, rather than just before the fireworks are let off. There is a need to raise awareness about the impact of fireworks on animals to the wider public to encourage them to be more considerate of those with pets, horses and livestock as well as local wildlife.

¹ Blackwell, E., Bradshaw, J., & Casey, R. (2013). Fear responses to noises in domestic dogs: Prevalence, risk factors and co-occurrence with other fear related behaviour. *Applied Animal Behaviour Science* 145, 15-25.

² Blackwell, E., Casey, R., & Bradshaw, J. (2005). *Firework Fears and Phobias in the Domestic Dog*. Scientific Report for the RSPCA, University of Bristol, UK

³ Gronqvist, G, Rogers, C. & Gee, E. (2016). The Management of Horses during Fireworks in New Zealand. *Animals* 6(20).

The RSPCA believes the law is failing as it does not prevent or sufficiently reduce the risk of fireworks causing distress, injury or anxiety to people, as well as death, injury or distress to animals.

We believe that further research is needed to properly understand the impact of noise on animals and a number of things can be done to improve the situation for animals and people by:

- introducing a limit on the public use of fireworks on or close to specific dates and times
- tightening restrictions on the sale of fireworks in the run up to Bonfire night
- reducing the maximum noise level of fireworks sold to the public, ensuring they are labelled accurately
- licensing all public firework displays – and ensuring displays are better advertised to the public.

Suggested motion for local authorities to adopt:

This Council resolves:

- to require all public firework displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people
- to actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people – including the precautions that can be taken to mitigate risks
- to write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays
- to encourage local suppliers of fireworks to stock 'quieter' fireworks for public display.

Agenda Item 15

COMMUNITIES, HOUSING & ENVIRONMENT COMMITTEE

1 December 2020

2nd Quarter Financial Update & Performance Monitoring Report 2020/21

Final Decision-Maker	Communities, Housing & Environment Committee
Lead Head of Service	Mark Green, Director of Business Improvement
Lead Officer and Report Authors	Ellie Dunnet, Head of Finance Paul Holland, Senior Finance Manager (Client) Carly Benville, Senior Business Analyst
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2020/21 financial and performance position for the services reporting into the Communities, Housing & Environment Committee (CHE) as at 30th September 2020 (Quarter 2). The primary focus is on:

- The 2020/21 Revenue and Capital budgets; and
- The 2020/21 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked. The report for this quarter has a particular focus on the impact the Covid-19 pandemic has had on the Council's financial position and performance.

Budget Monitoring

Overall net expenditure at the end Quarter 2 for the services reporting to CHE is £2.595m, compared to the approved budget of £2.935m, representing an underspend of £0.340m.

Capital expenditure for the services reporting to CHE of £2.825m has been incurred against the approved budget of £23.947m. Forecast spend for the year is £12.332m.

Performance Monitoring

56.3% (9 of 16) targetable quarterly key performance indicators reportable to the Communities, Housing & Environment Committee achieved their Quarter 2 target.

Purpose of Report

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 30th September 2020.

This report makes the following Recommendations to the Committee:

1. That the Revenue position as at the end of Quarter 2 for 2020/21, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. That the Capital position at the end of Quarter 2 be noted; and
3. That the Performance position as at Quarter 2 for 2020/21, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.

Timetable

<i>Meeting</i>	<i>Date</i>
Communities, Housing & Environment Committee	1 December 2020

2nd Quarter Financial Update & Performance Monitoring Report 2020/21

CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance and Business Improvement (Section 151 Officer)
Risk Management	This is addressed in Section 5 of this report.	Director of Finance and Business Improvement (Section 151 Officer)

Issue	Implications	Sign-off
Financial	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	Senior Finance Manager (Client)
Staffing	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	Director of Finance and Business Improvement (Section 151 Officer)
Legal	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	Principal lawyer (Corporate Governance), MKLS

Issue	Implications	Sign-off
Privacy and Data Protection	The performance data is held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.	Policy and Information Team
Equalities	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities and Corporate Policy Officer
Public Health	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance and Business Improvement (Section 151 Officer)
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance and Business Improvement (Section 151 Officer)

1. BACKGROUND AND INTRODUCTION

- 1.1 The Medium Term Financial Strategy for 2020/21 to 2024/25 - including the budget for 2020/21 - was approved by full Council on 26th February 2020. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 1.2 The report particularly focuses on the impact of the Covid-19 pandemic on the financial position and performance of the service areas that fall under this committee, and provide some further detail around particular areas of concern.
- 1.3 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs).
- 1.4 Attached at **Appendix 1**, is a report setting out the revenue and capital spending position at the Quarter 4 stage. Attached at **Appendix 2**, is a report setting out the position for the KPIs for the corresponding period.

2. AVAILABLE OPTIONS

- 2.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.
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3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 In considering the current position on the Revenue budget, the Capital Programme and KPIs at the end of September 2020, the Committee can choose to note this information or could choose to take further action.
- 3.2 The Committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position and/or the KPIs position.
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4. RISK

- 4.1 This report is presented for information only and has no direct risk management implications.
- 4.2 The Council has produced a balanced budget for both revenue and capital income and expenditure for 2020/21. The budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Committee the best opportunity to take actions to mitigate such risks.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The KPIs update ("Performance Monitoring") is reported to service committees quarterly: Communities, Housing & Environment Committee; Economic Regeneration & Leisure Committee; and the Strategic Planning & Infrastructure Committee. Each committee will receive a report on the relevant priority action areas. The report is also presented to the Policy & Resources Committee, reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Quarter 2 Budget & Performance Monitoring reports are being considered by the relevant Service Committees during November and December 2020, including a full report to the Policy & Resources Committee on 25th November 2020.

- 6.2 Details of the discussions which take place at Service Committees regarding financial and performance management will be reported to Policy and Resources Committee where appropriate.
- 6.3 The Council could choose not to monitor its budget and/or the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against financial and/or other performance during the year, and the Council failing to deliver its priorities.
- 6.4 There is significant uncertainty regarding the Council's financial position beyond 2020/21, arising from the impacts of the Covid-19 crisis and the Council's role in responding to this. Future finance reports to this committee will ensure that members are kept up to date with this situation as it develops.
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7. REPORT APPENDICES

- Appendix 1: Second Quarter Budget Monitoring 2020/21
 - Appendix 2: Second Quarter Performance Monitoring 2020/21
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8. BACKGROUND PAPERS

None.

Second Quarter Financial Update 2020/21

Communities, Housing & Environment
Committee

1st December 2020

Lead Officer: Mark Green

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Part B: Revenue Budget Q2 2020/21

B1) Revenue Budget Page 5

Part C: Capital Budget Q2 2020/21

C1) Capital Budget Page 9

Part A

Executive Summary & Overview



This report provides members with a financial update for the second quarter of 2020/21, covering activity for this committee's revenue and capital accounts for this period, and a projected outturn for the year.

Members will be aware that since the budget was agreed in February, the position for 2020/21 and future years has changed significantly as a result of the Covid-19 pandemic. Specific impacts include:

- Redirection of existing resources to support vulnerable people
- Administering government support schemes, notably business rate reliefs and grants
- Increased activity in some council services
- Temporary closure of some Council facilities
- Reduction in levels of activity in some other Council services
- Income generating activities severely impacted by overall contraction in economic activity
- Change in working patterns, with almost all office-based staff now working from home
- Reduced levels of Council Tax and Business Rates collection.

This has resulted in many service areas reporting or projecting adverse variances against the budget for 2020/21, particularly in relation to income. The overall projection for the council as reported to government on our monthly financial monitoring returns is summarised in table 1 below and shows that the potential impact of Covid-19 on the council's financial position is £7.237m. Councils have been asked to complete these returns to enable a comprehensive picture of the financial impact of Covid-19 on local authorities to be compiled by the Ministry of Housing, Communities and Local Government. The projections are based on the information available to finance officers at the time of submitting the return and are being regularly updated as the situation unfolds and further information becomes available.

	£000
Additional Spending	1,483
Income Reductions:	
Business Rates (MBC share)	760
Council Tax (MBC share)	721
Other Income	4,273
Total	7,237

Table 1, Covid-19 financial impact

It should be noted that the projections detailed within table 1 do not correspond to the in year budget outturn projections. This arises for several reasons.

- Due to the statutory accounting arrangements for council tax and business rates, these losses do not impact the general fund balance until next year.
- The variances above reflect an estimate of the financial impact of Covid-19, and do not take into account other factors which may impact on the budget outturn such as underspends that have the effect of mitigating Covid-19 related losses.
- The Covid-19 financial impact has been offset by both unringfenced government support and grants covering specific areas of expenditure.

To date, unringfenced financial support totalling £2.5m for MBC has been announced by the government. The council has also submitted a claim for lost income from sales, fees and charges under the government's compensation scheme. The initial claim covers the period between April and July and is due to be paid at the end of November. Two further claims will be submitted (one in December 2020, the other in April 2021) covering the remainder of this financial year. Given the all-encompassing impact of Covid-19 across many of the council's services, mitigation for losses will be treated as a corporate exercise, and we will therefore not attempt to apportion unringfenced support received across service committees.

In addition to the unringfenced support, the council has received funding which can be clearly matched to additional expenditure, or outgoing grants. It is anticipated that these funding streams will be used in full to offset increased costs incurred in responding to the Covid-19 pandemic. Examples of such funding include the Reopening High Streets Safely Fund, Emergency Assistance Grant and the Local Authority Compliance and Enforcement Grant.

Headline messages arising from other sections of this report are summarised below:

Part B: Revenue budget – Q2 2020/21

- Overall expenditure at the end Q2 for the services reporting to CHE is £2.595m, compared to the profiled approved budget of £2.935m, representing an underspend of £0.340m. The forecast year end outturn for CHE is an underspend of £0.120m.
- We are due to receive funding to mitigate the impact of losses from fees and charges income. Initial calculations indicate that this funding could be in the region of £1.7m for the council as a whole.

Part C: Capital budget – Q2 2020/21

- Capital expenditure for the services reporting to CHE of £2.852m has been incurred against the approved budget of £23.947m. Forecast spend for the year is £12.332m.

Part B

Second Quarter Revenue Budget 2020/21

B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for CHE services at the end of Quarter 2. The financial figures are presented on an 'accruals' basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

CHE Revenue Budget & Outturn – Quarter 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2020 £000	Actual £000	Variance £000	Forecast 31 March 2021 £000	Forecast Variance 31 March 2021 £000
Parks & Open Spaces	1,004	516	462	54	954	50
Playground Maintenance & Improvements	149	73	69	4	149	0
Parks Pavilions	40	20	10	9	40	0
Mote Park	265	135	151	-16	265	0
Parks & Open Spaces Leisure Activities	-5	-3	1	-4	-5	0
Mote Park Leisure Activities	-38	-19	0	-19	-38	0
Allotments	13	8	5	2	13	0
Cemetery	54	50	19	31	24	30
National Assistance Act	-0	-0	0	-0	-0	0
Crematorium	-854	-380	-401	20	-949	96
Community Safety	28	-3	-6	3	28	0
PCC Grant - Building Safer Communities	0	-16	-18	2	0	0
CCTV	75	9	7	2	75	0
Drainage	32	16	0	16	32	0
Licences	-6	-0	1	-1	7	-12
Licensing Statutory	-64	-32	-35	3	-8	-57
Licensing Non Chargeable	8	4	4	-0	8	0
Dog Control	29	12	14	-1	29	0
Health Improvement Programme	9	9	0	9	9	0
Pollution Control - General	1	-2	3	-5	1	0
Contaminated Land	1	0	-0	0	1	0
Waste Crime	28	17	4	13	28	0
Food Hygiene	9	4	-1	5	9	0
Sampling	4	1	0	1	4	0
Occupational Health & Safety	-6	-3	-2	-1	-6	0
Infectious Disease Control	1	1	1	-0	1	0
Noise Control	1	0	0	0	1	0
Pest Control	-12	-6	-1	-5	-12	0
Public Conveniences	207	99	123	-24	207	0
Licensing - Hackney & Private Hire	-63	-33	-20	-14	-7	-56
Street Cleansing	1,152	551	524	27	1,117	35
Household Waste Collection	1,200	605	571	34	1,150	50
Commercial Waste Services	-61	-32	-37	4	-61	0
Recycling Collection	788	228	148	81	678	110

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 September 2020 £000	Actual £000	Variance £000	Forecast 31 March 2021 £000	Forecast Variance 31 March 2021 £000
Community Environmental Engagement	0	0	0	-0	0	0
Community Hub	0	-72	45	-117	117	-117
Public Health - Obesity	0	-8	-3	-6	0	0
Public Health - Misc Services	0	-4	-1	-3	0	0
Grants	177	88	87	1	177	0
Delegated Grants	2	2	0	2	2	0
Parish Services	130	65	65	0	130	0
Member's Community Grant	0	0	1	-1	0	0
General Fund Residential Properties	-95	-48	-28	-20	-95	0
Strategic Housing Role	14	8	2	6	14	0
Housing Register & Allocations	11	10	11	-2	11	0
Private Sector Renewal	-47	-49	-50	1	-47	0
HMO Licensing	-20	-10	-4	-6	-20	0
Homeless Temporary Accommodation	409	205	180	25	515	-106
Homelessness Prevention	264	-454	-471	17	264	0
Predictive Analysis and Preventing Homelessness	57	57	57	0	57	0
Aylesbury House	23	12	2	10	23	0
Magnolia House	9	4	-10	14	9	0
St Martins House	0	2	-2	4	0	0
Marsham Street	61	31	26	5	61	0
Sundry Temporary Accommodation (TA) Properties	2	3	-9	12	2	0
Pelican Court (Leased TA Property)	0	-12	-9	-3	0	0
2 Bed Property - Temporary Accommodation	-59	-30	-45	14	-59	0
3 Bed Property - Temporary Accommodation	-38	-19	-26	7	-38	0
4 bed Property - Temporary Accommodation	-1	0	-4	4	-1	0
1 Bed Property- Temporary Accommodation	3	2	0	1	3	0
Melville Road Supported Accommodation	-28	-15	-27	11	-28	0
Marden Caravan Site (Stilebridge Lane)	19	9	-2	10	19	0
Ulcombe Caravan Site (Water Lane)	7	0	-1	1	7	0
Head of Environment and Public Realm	107	53	49	4	107	0
Bereavement Services Section	251	126	127	-1	251	0
Community Partnerships & Resilience Section	447	223	199	24	447	0
Licensing Section	113	57	53	4	113	0
Environmental Protection Section	267	134	133	0	267	0
Food and Safety Section	262	131	131	0	262	0
Depot Services Section	807	404	378	26	807	0
Head of Housing & Community Services	112	56	55	0	112	0
Homechoice Section	214	83	74	9	214	0
Housing & Inclusion Section	593	144	115	28	593	0
Housing & Health Section	270	42	16	26	270	0
Housing Management	273	95	97	-2	273	0
Homelessness Outreach	6	-162	-158	-4	6	0
Salary Slippage 3CHE	-150	-75	0	-75	-150	0
Fleet Workshop & Management	241	121	80	41	189	52
MBS Support Crew	-63	-32	-23	-8	-63	0
Grounds Maintenance - Commercial	-135	-68	-112	45	-180	45
Totals	8,502	2,935	2,595	340	8,382	120

B1.2 The table shows that at the end of the second quarter overall net expenditure for the services reporting to CHE is £2.595, compared to the approved budget of £2.935m, representing an underspend of £0.340m. It should be noted that this forecast does not take into account further government support for income losses announced recently. The planned scheme will see councils absorbing losses of up to 5% of planned sales, fees and charges income, with the government compensating for 75p in every pound of 'relevant losses' thereafter. We are therefore confident that the position will improve from the forecasts set out in tables 2 and 3 above.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the second quarter of the year. The reasons for the more significant variances are explored in section B2 below.

B2) Variances

B2.1 The impact of Covid-19 and lockdown can be seen most significantly in those areas where income is a significant element of the budget. For this committee the area that is most impacted is licencing, with a lack of demand for the service. A further issue is an anticipated increase in the demand for temporary accommodation should the current restrictions on landlords evicting tenants cease. However with less significant issues in other service areas the year-end forecast for this committee is for an underspend of £0.120m, although that does not include the recovery of fees and charges from the government outlined earlier in this Appendix or measures taken to mitigate the overspend across all committees such as deferring recruitment plans and cancelling non-essential expenditure.

B2.2 The forecasts are based on the circumstances as they stand at present, and assume a gradual return to normal levels of activity, but the timescale of that is less clear, and of course the impact of the second wave will become more apparent by the time of the third quarter report in the new year.

	Positive Variance Q2	Adverse Variance Q2	Year End Forecast Variance
Communities, Housing & Environment Committee	£000		
Licensing – Due to the impact of Covid-19 a shortfall in income is now forecast for the end of the year.		-12	-125
Recycling Collection – Demand for green bins and wheeled bins continues to be high and is forecast to continue to increase for the remainder of the year.	81		110
Community Hub – The hub was set up to help vulnerable people in the community during the early stages of the Covid-19 outbreak. All the costs are expected to be funded by the end of the year via the grants received that were referenced earlier in the Contingency budget		-116	-116

<p>Homelessness Temporary Accommodation – The forecast overspend arises from additional costs to accommodate rough sleepers during the lockdown. Additionally, under the emergency Covid-19 measures, landlords were prevented from evicting tenants during lockdown. This presents a possible risk of increased demand for temporary accommodation.</p>	24		-106
<p>Depot Operations – This covers the Fleet Workshop, MBS Support Crew and Commercial Grounds Maintenance. There are reduced costs in the workshop, and grounds maintenance has generated more income than had been forecast.</p>	77		97

Part C

Second Quarter Capital Budget 2020/21



B1) Capital Budget: Communities, Housing & Environment Committee (CHE)

B1.1 The position of the 2020/21 CHE element of the Capital Programme at the Quarter 2 stage is presented in Table 3 below. The budget for 2020/21 includes resources brought forward from 2019/20.

Table 4: CHE Capital Programme 2020/21 (@ Quarter 2)

Capital Programme Heading	Estimate 2020/21 £000	Actual to September 2020 £000	Budget Remaining £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2021/22 £000
Communities, Housing & Environment							
Housing - Disabled Facilities Grants Funding	1,577	241	1,336	150	200	591	986
Housing Investments	2,343	500	1,843	335	1,052	1,887	456
Brunswick Street - Costs of Scheme	4,233	1,672	2,561	1,269	1,292	4,233	0
Brunswick Street - Receipts	-1,502	-636	-866	-769	-97	-1,502	0
Union Street - Costs of Scheme	5,201	1,516	3,685	2,503	1,182	5,201	-0
Union Street - Receipts	-2,100	-599	-1,501	-744	-757	-2,100	0
Springfield Mill	1,807	8	1,799	900	899	1,807	0
Granada House Extension	1,664	12	1,652	114		126	1,538
Indicative Schemes	8,042	3	8,039	174		177	7,865
Affordable Housing Programme	1,315		1,315	138	264	402	913
Acquisitions Officer - Social Housing Delivery Partnership	80	34	46	23	23	80	0
Street Scene Investment	96	78	18	9	9	96	-0
Flood Action Plan	400		400	25	25	50	350
Electric Operational Vehicles	100		100	100		100	
Rent & Housing Management IT System	50		50				50
Installation of Public Water Fountains	15		15	15		15	
Commercial Projects - Cemetery Chapel Repairs	230		230	30	200	230	
Continued Improvements to Play Areas	297	23	274	50	50	123	174
Other Parks Improvements	99		99		99	99	-0
Total	23,947	2,852	21,095	4,322	4,441	11,615	12,332

B1.2 Comments on the variances in the table above are as follows:

Housing Investments – Phase 4 of the purchase and repair scheme to acquire properties for temporary accommodation is now underway.

Brunswick Street and Union Street – Construction at both sites was delayed due to Covid-19, and both schemes are now around 4 months behind schedule, but they are both due to be completed by the end of the financial year.

Indicative Schemes – A number of schemes are being considered and are at various stages of development. Where a decision is taken to proceed a more detailed report will be brought forward for consideration as with two schemes which were considered at the last meeting of the Policy & Resources Committee.

Second Quarter Performance Monitoring 2020/21

Key to performance ratings

RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only

Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
N/A	No previous data to compare

Performance

Summary

RAG Rating	Green	Amber	Red	N/A ¹	Total
KPIs	9	6	1	3	19
Direction	Up	No Change	Down	N/A	Total
Last Quarter	8	4	7	0	19
Last Year	11	1	2	5	19

- 56.3% (9) of 16 targetable quarterly key performance indicators (KPIs) reportable to the Housing, Communities and Environment Committee achieved the Quarter 2 (Q2) target¹.
- Compared to last quarter (Q1 2020/21), performance for 42.1% (8) of 19 KPIs has improved, 21.1% (4) of 19 KPIs has been sustained, and for 36.8% (7) of 19 KPIs has declined¹.
- Compared to last year (Q2 2019/20), performance for 78.6% (11) of 14 KPIs has improved, 7.1% (1) of 14 KPIs has been sustained, and for 14.3% (2) of 14 KPIs has declined¹.

Safe, Clean & Green

Performance Indicator	Q2 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of unauthorised encampments on Council owned land removed within 5 working days	100%	100%			
The percentage of relevant land and highways that is assessed as having acceptable levels of detritus	94.54%	95.00%			
Percentage of fly tips with evidential value resulting in enforcement action	93.1%	87.0%			
Percentage of fly tips assessed within 2 working days	99.31%	94.00%			N/A

¹ PIs rated N/A are not included in the summary calculations

* Indicates data that has not been authorised

Performance Indicator	Q2 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
The average weight of fly tipped material collected	73.35kg				
Percentage of household waste sent for reuse, recycling and composting	50.85%	52.00%			
The percentage of relevant land and highways that is assessed as having acceptable levels of litter	94.16%	98.00%			
Contamination: Tonnage per month rejected	395.43	287.50			N/A
Actual Spend of Section 106 money	Annual KPI				
Maintenance per Hectare Spent on Parks and open Spaces	Annual KPI				
Percentage of People using Parks and Open spaces at least once a week	Annual KPI				
Number of Green Flag Parks	Annual KPI				

Under 'Safe, Clean & Green', four KPIs missed their targets in Q2 2020/21, where one was more than 10%. One KPI is information-only. Two KPIs are new for 2020/21 and hence it is not possible to compare performance against previous years.

When we compare the KPIs to the last quarter (Q1 2020/21), one saw an improvement, five declined and two saw their performance sustained. Compared to the same quarter last year, three improved, two declined and one sustained its performance.

The '**The percentage of relevant land and highways that is assessed as having acceptable levels of detritus**' KPI achieved a figure of 94.54% in Q2 2020/21 against a target of 95%, comparable with 94.87% last quarter and 98.34% for the same quarter last year. The team responsible for this KPI highlight that the quarterly target of 95% is an ambitious target to meet. Six rural roads in Leeds and Broomfield were responsible for the target being missed.

The '**Percentage of household waste sent for reuse, recycling and composting**' KPI achieved a figure of 50.85% in Q2 2020/21 against a target of 52%, comparable with 52.81% last quarter and 50.62% for the same quarter last year. This quarter, 16,550 tonnes of household waste were collected and 8,416.01 tonnes of household waste were sent for reuse, recycling or composting. An increased number of total rejected loads has affected this KPI negatively. To help performance next quarter, the Waste Services team have ordered additional promotional materials, which will be issued to residents from late November.

The '**The percentage of relevant land and highways that is assessed as having acceptable levels of litter**' achieved a figure of 94.16% in Q2 2020/21, against a target of 98%. This is comparable with 98.18% last quarter and 98.34% for the same quarter last year. The team responsible for this KPI state that as the target is ambitious and the outcome can be affected by only one or two roads. In this quarter four roads (within the ward of Shepway North) missed the required standard. However, these roads were cleansed two-to-three days after the survey was undertaken.

The '**Contamination: Tonnage per month rejected**' KPI achieved a figure of 395.43 tonnes in Q2 2020/21 against a target of 287.50 tonnes, comparable with 314.46 tonnes last quarter. Performance data for last year is unavailable for this KPI as this is a new KPI for 2020/21. The figures for July, August and September 2020 for this KPI were 134.25, 132.06 and 129.12 respectively. During the autumn, Kent County Council started a more rigorous checking system at Allington, which has led to an increase in the number of rejected loads. The Waste Services team are working on pushing for a part-rejected load procedure, which is currently under consideration. Additional local public communications are planned from late November, with the aim to provide more information to residents to help improve the quality of material collected going forward.

Homes & Communities

Performance Indicator	Q2 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage spend and allocation of Disabled Facilities Grant Budget (YTD)	70.0%	25.0%			
Number of households living in temporary accommodation last night of the month (NI 156 & SDL 009-00)	91				
Number of households living in nightly paid temporary accommodation last night of the month	31				
Number of households housed through the housing register	166	112.5			
Number of households prevented or relieved from becoming homeless	177	112.5			
Percentage of successful Prevention Duty outcomes	74.29%	60%			
Percentage of successful Relief Duty outcomes	57.48%	60%			
Percentage of gas safety certificates in place on all residential properties	97.26%	100.00%			N/A
Percentage of all electrical safety certificates on all residential properties	93.67%	100.00%			N/A
Percentage of high priority fire safety certificates on all residential properties	100.00%	100.00%			N/A
Number of houses of multiple occupation brought to compliance by private rented sector licensing (Bi-annual KPI)	17	15			
Number of completed housing assistances	Annual KPI				

Under 'Homes & Communities', of the nine KPIs with targets, six met these, and three missed their targets within 10%. Two KPIs are for information-only purposes. Three KPIs are new KPIs for 2020/21, and so previous performance data is unavailable.

The '**Percentage of successful Relief Duty outcomes**' KPI achieved a figure of 57.48% this quarter against a target of 60%, comparable with 51.97% last quarter and 54.33% for the same quarter last year. The total number of applicants where relief duty had ended in Q2 2020/21 was 127, and the number of applications where relief duty had ended because the applicant had suitable accommodation for at least 6 months was 73 this quarter. The target set for every quarter this year, of 60%, is a challenging one, as highlighted by the team responsible for this KPI. National data on homelessness being successfully resolved is lower than this; the latest published homelessness statistics for the time period between January and March 2020 demonstrates that the percentage of successful relief duty outcomes were 39.7% nationally. In addition, if Maidstone Borough Council does not relieve homelessness within the 56 day relief duty period, then applicants who are in "priority need", and are unintentionally homeless, proceed to be owed the main housing duty by the Authority from day 57. And, whilst these applicants are subsequently secured settled accommodation, these outcomes are not recorded as a successful relief of homelessness.

The '**Percentage of gas safety certificates in place on all residential properties**' was 97.26% in Q2 2020/21 against a target of 100%, comparable with 97.33% last quarter. Performance data for last year is unavailable for this KPI as this is a new KPI for 2020/21. In this quarter, only 71 residential properties had gas safety certificates in place out of 73. There were two outstanding gas safety certificates. This was because the team were waiting for available operatives to carry out the checks to the properties ensuring access requirements of the residents, due to coronavirus (COVID-19) restrictions, were met. At present, all gas certificates are in place.

The '**Percentage of all electrical safety certificates on all residential properties**' KPI achieved a figure of 93.67% in Q2 2020/21 against a target of 100%, comparable with 100% last quarter. Performance data for last year is unavailable for this KPI as this is a new KPI for 2020/21. In this quarter, 74 residential properties had electrical safety certificates in place out of 79. The team responsible for this KPI have discovered that some of the electrical certificates handed over to the Accommodation team were audited by a third party and found to have outstanding compliance issues. These works are currently being carried out. One of the large shared facilities had electrical testing undertaken and it was found not to meet current regulations. Work around this is being undertaken too.

Due to internal reporting errors, the data for the following KPIs was reported incorrectly in Q1 2020/21:

	Data reported	Correct data	Difference/Error in reporting (ignoring direction)
Name of KPI	Q1	Q1	Q1
Percentage of household waste sent for reuse, recycling and composting	53.73%	52.81%	0.92pp
Percentage spend and allocation of Disabled Facilities Grant Budget (YTD)	67.8%	58.9%	8.9pp

pp = percentage points

Originally, the total tonnage of household waste collected and the tonnage of household waste sent for reuse, recycling or composting were 11,943.85 and 6,416.88 respectively. The updated figures are 17,893.84 and 9,450.1. The '**Percentage of household waste sent for reuse, recycling and composting**' KPI met its target.

Initially, the Q1 2020/21 figure of 67.8% for the '**Percentage spend and allocation of Disabled Facilities Grant Budget (YTD)**' was calculated from the figures provided for the 'Amount of Disabled Facilities Grant budget spent or allocated' and the 'Total Disabled Facilities Grant Budget' PIs. The amount of disabled facilities grant budget spent or allocated was £779,637.51. The revised figure is £677,284.04. The Q1 2020/21 target of 12.5% was achieved.

COMMUNITIES HOUSING & ENVIRONMENT COMMITTEE

1 December 2020

Is the final decision on the recommendations in this report to be made at this meeting?

No

Draft Medium Term Financial Strategy 2021/22-2025/26

Final Decision-Maker	Council
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Director of Finance and Business Improvement
Classification	Public
Wards affected	All

Executive Summary

This report sets out a draft new Medium Term Financial Strategy (MTFS) for the Council. The new MTFS updates the existing strategy to cover the five-year period 2021/22 to 2025/26 and to reflect changes in corporate priorities and the impact of the Covid-19 pandemic.

This report makes the following recommendation to this Committee:

1. That it considers and comments on the Draft Medium Term Financial Strategy 2021/22 – 2025/26.

Timetable

Meeting	Date
Communities Housing & Environment Committee	1 December 2020
Strategic Planning & Transportation Committee	8 December 2020
Economic Regeneration & Leisure Committee	15 December 2020
Policy & Resources Committee	10 February 2021
Council	24 February 2021

Draft Medium Term Financial Strategy 2021/22-2025/26

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The MTFS supports the cross-cutting objectives in the same way that it supports the Council's other strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
Staffing	The process of developing the Strategic Plan and the associated budget strategy will identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
Legal	The Council has a statutory obligation to set a balanced budget and development of the MTFS and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Legal Services
Privacy and Data Protection	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Policy and Information Team
Equalities	The MFTS report scopes the possible impact of the Council's future financial position on service delivery. When a policy, service or function is developed, changed or reviewed, an evidence based equalities impact assessment will be undertaken. Should an	Equalities and Corporate Policy Officer

	impact be identified appropriate mitigations will be identified.	
Public Health	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Public Health Officer
Crime and Disorder	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Procurement	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council's Strategic Plan will be delivered over a rolling five-year period. The MTFS is reviewed annually and the Committee is invited to consider and comment on the draft MTFS for 2021 to 2026. The MTFS remains subject to finalisation of the Strategic Plan refresh and the government's announcement of the Local Government Finance Settlement 2021/22, which is expected in December 2020.
- 2.2 The vision and priorities set out in the Council's existing Strategic Plan are clear and remain relevant. However, considering the Covid-19 pandemic and its significant impact, work has been carried out to review our outcomes for 2019/24 and to produce a refreshed set of outcomes for 2021/26. The first steps in the Strategic Plan review, including engagement with all councillors, were undertaken in August and reported to the Policy and Resources Committee at its September meeting. Decisions were made then about key areas of focus for cost reduction and approaches to leveraging resources to complement the council's spending and investment. It is intended to bring a refreshed Strategic Plan to the Policy and Resources Committee in January 2021 prior to approval by Council in February 2021.
- 2.3 The draft MTFS is attached as Appendix A. It sets out in financial terms how it is intended to deliver the Strategic Plan, given the Council's capacity and capability. It builds on the existing MTFS, but reflects the impact of Covid-19 by incorporating the re-prioritisation of Strategic Plan objectives described above, together with proposals for transformational budget savings to address the financial challenges that the Council now faces.
- 2.4 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2021/22 at the Council meeting on 24 February 2021.

Revenue Projections

- 2.5 The MTFS incorporates revenue projections for the five year planning period. Various potential scenarios were modelled, described as adverse, neutral and favourable. Key assumptions made in the projections are as follows.

Council Tax – It has been assumed that the government continues to set a limit of 2% to increases, above which a referendum would be required (as in 2020/21), and that the Council increases Council Tax to this limit. If the government sets a different referendum limit, this assumption will need to be reviewed.

Business Rates - The Business Rates baseline, which dictates the amount of business rates that local authorities may retain locally, will be increased in line with inflation in 2021/22, as part of the expected one year roll forward of the existing 2020/21 financial settlement.

Covid-19 – In the neutral scenario, income from Council Tax, Business Rates and Sales, Fees and Charges will bounce back from the levels experienced in 2020/21 but full recovery will not be seen until 2022/23. There will be no further general government compensation for the effects of Covid-19 after the end of the current financial year.

This would leave a budget gap of £2.4 million in 2021/22 in the neutral scenario, before taking account of any new savings.

- 2.6 The MTFS proposes that the budget gap is addressed through a combination of strategic plan re-prioritisation, transformation savings and increasing income. To date approximately £2 million of savings have been identified. These savings will be delivered over a period of 3-4 years, so in the meantime it will be necessary to deploy revenue resources hitherto earmarked for other purposes, such as New Homes Bonus and uncommitted Business Rates Growth proceeds to achieve a balanced budget. This is a departure from the Council's existing policy but is considered to be justified given the scale of the budget gap and uncertainties in financial forecasts that the Council faces.

3. AVAILABLE OPTIONS

- 3.1 The Committee is asked to consider and comment on the draft MTFS attached at Appendix A. Any changes and comments will be considered by Policy and Resources Committee at its meeting prior to recommending a final MTFS to Council for approval in February 2021.
- 3.2 The Committee could choose not to comment on the draft MTFS.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The Committee is asked to consider and comment on the draft MTFS. This will ensure that its views are taken into account as part of the development of the MTFS.

5. RISK

5.1 There are a number of risks and uncertainty surrounding the Council’s financial position, as described in the MTFS. In order to address these in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each meeting.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Policy and Resources Committee reviewed the background to setting a new Medium Term Financial Strategy at their meeting on 21 July.

6.2 The three Service Committees – Economic Regeneration & Leisure, Strategic Planning & Infrastructure and Communities, Housing & Environment – are considering the draft MTFS in the current cycle of meetings. The outcomes will be reported back to Policy & Resources Committee when it is asked to consider the MTFS again for recommendation to Council.

6.3 A survey has recently concluded, in which residents were consulted on what they wish to see in the budget. This is attached as Appendix C.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 An outline timetable for developing the Council’s Strategic Plan and the associated Medium Term Financial Strategy and budget for 2021/22 is set out below.

<i>Date</i>	<i>Meeting</i>	<i>Action</i>
December 2020	Service Committees	Consider draft MTFS
December 2020		Finalise detailed budget proposals for 2021/22
January 2021	Policy and Resources Committee, Service Committees	Consider the updated Strategic Plan and 21/22 budget proposals

10 February 2021	Policy and Resources Committee	Agree Strategic Plan, MTFS and 21/22 budget proposals for recommendation to Council
24 February 2021	Council	Approve Strategic Plan and 2021/22 budget

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Draft Medium Term Financial Strategy 2021/22 – 2025/26
- Appendix B: Strategic Revenue Projection 2021/22 – 2025/26
- Appendix C: Budget Consultation Report

9. BACKGROUND PAPERS

None.

**MAIDSTONE BOROUGH COUNCIL
MEDIUM TERM FINANCIAL STRATEGY
2021/22 – 2025/26**

DRAFT

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1. OVERVIEW AND SUMMARY OF MEDIUM TERM FINANCIAL STRATEGY

- 1.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council will deliver its Strategic Plan over the next five years. The Council agreed a new Strategic Plan in December 2018 covering the period 2019 to 2045. The priorities and outcomes in the Strategic Plan are currently being reviewed with a view to Council agreeing a refreshed Strategic Plan in February 2021. The vision remains relevant and it is expected that it will retain its four key objectives: embracing growth and enabling infrastructure; homes and communities; a thriving place; and safe, clean and green. Further details are set out in **Section 2**.
- 1.2 Delivering the Strategic Plan depends on the Council’s financial capacity and capability. Accordingly, the MTFS considers the economic environment and the Council’s own current financial position. The external environment (**Section 3**) is particularly challenging because of the economic impact of Covid-19. In assessing the Council’s current financial position (**Section 4**), attention therefore needs to be paid to its resilience, including the level of reserves that it holds.
- 1.3 Most key variables in local authority funding are determined by central government, such as the Council Tax referendum limit and the share of business rates that is retained locally. Because of economic uncertainty, central government is not prepared to give local authorities any certainty about these factors beyond 2021/22, thus making future planning even more difficult. A consideration of the funding likely to be available in the future is set out in **Section 5**.
- 1.4 In view of these multiple levels of uncertainty, it is imperative that the MTFS both ensures the local authority’s continuing financial resilience and is sufficiently flexible to accommodate a range of potential scenarios. The Council has prepared financial projections under different scenarios, following a practice that has been followed for a number of years. Details of the assumptions made in the different scenarios are set out in **Section 6**.
- 1.5 The MTFS sets out the financial projections in **Section 7**. Various potential scenarios were modelled, described as adverse, neutral and favourable. The table below shows projections under the neutral scenario.

Table 1: MTFS Revenue Projections 2021/22 – 2025/26

	20/21	20/21	21/22	22/23	23/24	24/25	25/26
	Orig budget	Latest projn	Forecast				
	£m	£m	£m	£m	£m	£m	£m
Council Tax	16.8	16.1	17.1	17.7	18.3	19.0	19.6
Business Rates	4.5	3.7	3.9	3.3	3.5	3.8	4.1
Other Income	21.7	17.4	18.8	20.0	21.2	22.9	23.7
Total Funding	43.0	37.2	39.8	41.0	43.0	45.7	47.4

Available							
Predicted Expenditure ¹	43.0	43.2	43.1	41.6	43.0	45.0	47.1
Budget Gap	0.0	-6.0	-3.3	-0.6	0.0	0.7	0.3
Existing Planned Savings			0.9	0.6	0.2		
Contribution to Reserves					0.2	0.7	0.3
Residual Budget Gap			-2.4	-0.0	0.0	0.0	0.0

In accordance with legislative requirements the Council must set a balanced budget. The MTFS sets out a proposed approach that seeks to address the budget gap and therefore enable the Council to set a balanced budget.

- 1.6 The Council's strategic priorities are met not only through day-to-day revenue spending but also through capital investment. The Council has adopted a Capital Strategy, which sets out how investment will be carried out that delivers the strategic priorities, whilst remaining affordable and sustainable. As set out in **Section 8** below, funds have been set aside for capital investment and further funding is available, in principle, through prudential borrowing.
- 1.7 The MTFS concludes by describing the process of agreeing a budget for 2021/22, including consultation with all relevant stakeholders, in **Section 9**.

2. CORPORATE OBJECTIVES AND KEY PRIORITIES

2.1 The Council has a Strategic Plan which was approved by Council in December 2018. It sets out four key objectives, as follows:

- Embracing Growth and Enabling Infrastructure
- Homes and Communities
- A Thriving Place
- Safe, Clean and Green.

'Embracing growth and enabling infrastructure' recognises the Council's role in leading and shaping the borough as it grows. This means taking an active role in policy and master planning for key sites in the borough, and where appropriate, investing directly ourselves.

'Homes and communities' expresses the objective of making Maidstone a place where people love to live and can afford to live. This means providing a range of different types of housing, including affordable housing, and meeting our statutory obligations to address homelessness and rough sleeping.

'A thriving place' is a borough that is open for business, attractive for visitors and an enjoyable and prosperous place to live for our residents. We will work to regenerate the County town and rural service centres and will continue to grow our leisure and cultural offer.

A 'safe, clean and green' place is one where the environment is protected and enhanced, where parks, green spaces, streets and public areas are looked after, well-managed and respected, and where people are and feel safe.

2.2 Since the adoption of the Strategic Plan in December 2018, the objective of 'Embracing growth and enabling infrastructure' has started to be realised, for example through our work on the Innovation Centre and a new Garden Community. Amongst initiatives to help make Maidstone a 'Thriving Place' include investment at Lockmeadow and on the Parkwood Industrial Estate. Our 'Homes and Communities' aspirations are being achieved by investment for example in temporary accommodation and new build housing schemes at Brunswick Street and Union Street. The objective of a 'Safe, Clean and Green' place has been emphasised by Council's decision to declare its recognition of global climate and biodiversity emergencies.

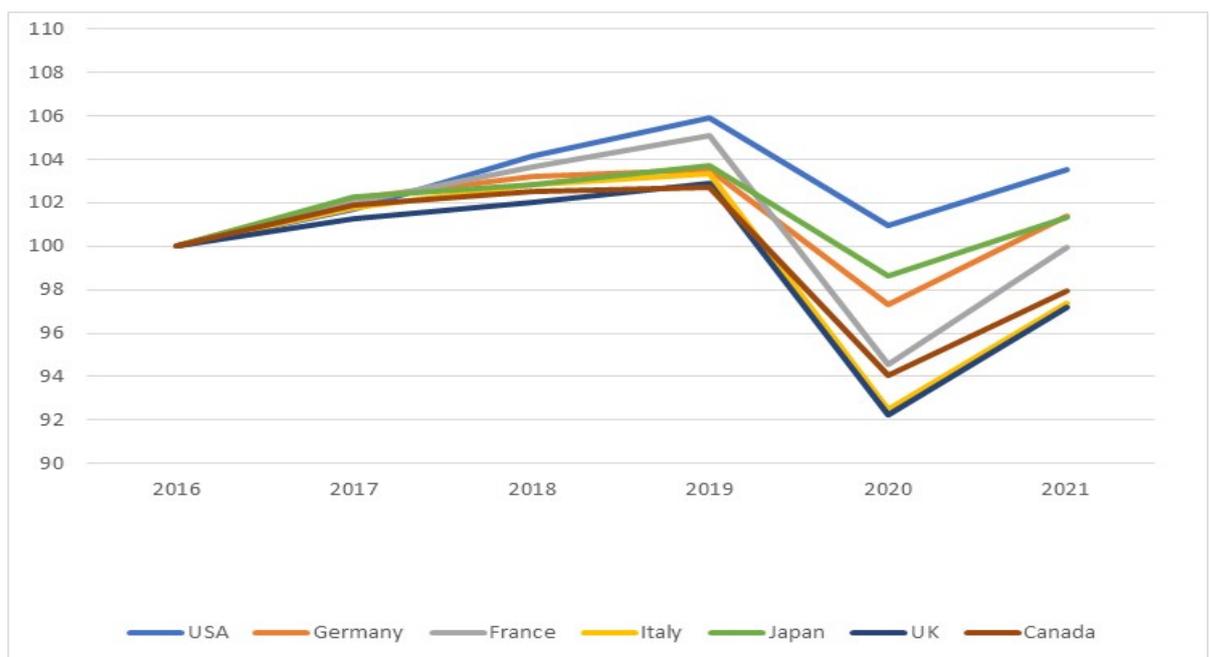
2.3 Covid-19 and the overall financial climate for local government have compelled the Council to re-prioritise its objectives. While the overall vision remains unchanged, the way in which it is achieved and the pace of delivery are likely to be affected. In some areas, it is recognised that funding pressures and the changed environment created by Covid-19 will lead to the Council's ambitions being modified in the short term. The pressures also demand that the Council takes a radical look at how it organises its work, leaving no stone unturned in the search for greater efficiency. Further details are set out in the proposed strategy that is described in section 7 below.

3. ECONOMIC ENVIRONMENT

Macro outlook

- 3.1 Before the onset of Covid-19 in early 2020, economists were starting to identify some signs of stabilisation after a period of slowing global growth. The IMF projected that global growth, estimated at 2.9 percent in 2019, would increase to 3.3 percent in 2020 and 3.4 percent in 2021. These projections were accompanied by caveats about the risks around a further escalation in the US-China trade tensions, a no-deal Brexit, the economic ramifications of social unrest and geopolitical tensions, and weather-related disasters¹.
- 3.2 The UK's growth rate was projected to be slower, stabilising at 1.4 percent in 2020 and increasing to 1.5 percent in 2021. However, these forecasts assumed an orderly exit from the European Union followed by a gradual transition to a new economic relationship with the EU.
- 3.3 Covid-19 has changed the picture completely, with economic activity contracting dramatically during 2020. Although activity picked up in May and June as economies re-opened, as of November 2020 the pandemic is continuing to spread and the recovery has stalled. The UK, with its dominant service sector, has been hit particularly hard, with services that are reliant on face-to-face interactions, such as wholesale and retail trade, hospitality, and arts and entertainment seeing larger contractions than manufacturing. IMF projections are set out in the graph below.

Figure 1: Real Per Capita Output (Annual percent change in constant 2017 international dollars at purchasing power parity)



Source – IMF World Economic Outlook, October 2020

¹ IMF, World Economic Outlook, January 2020

The IMF projects a contraction in output in the UK of 10.4% in 2020, followed by growth of 5.4% in 2021. This is broadly consistent with the Bank of England's latest projections, which envisage a fall in GDP of 11% in Q4 of 2020.²

Public Finances

- 3.4 The government's response to Covid-19 has been to borrow on an unprecedented scale both to support public services, businesses and individuals and to absorb the impact of the downturn on tax revenues. This is expected to lead to public borrowing of £420bn (21.7% of GDP) in 2020/21³, a level not seen outside the two world wars of the twentieth century.
- 3.5 In the short term, the government is able to fund this deficit without an increase in the cost of borrowing. This is because the Bank of England is likely to maintain the government's borrowing costs at historic lows, supported by quantitative easing. The second lockdown in November 2020 was accompanied by a £100 billion expansion in QE and there is likely to be more to come.
- 3.6 The low cost of borrowing and the need to promote economic recovery means that there is currently a strong justification for continued large scale public expenditure. However, this is not sustainable in the long term. Prior to the pandemic, public sector net debt was around 80% of national income, well above the 35% of national income seen in the years prior to the 2008 financial crisis. The Institute for Fiscal Studies forecasts that in 2024–25, public sector net debt will be just over 110% of national income in their central scenario, close to 100% of national income in their optimistic scenario and close to 130% in their pessimistic scenario.⁴ When the economy eventually recovers, the IFS states that policy action will be needed to prevent debt from continuing to rise as a share of national income.

Local Government Funding

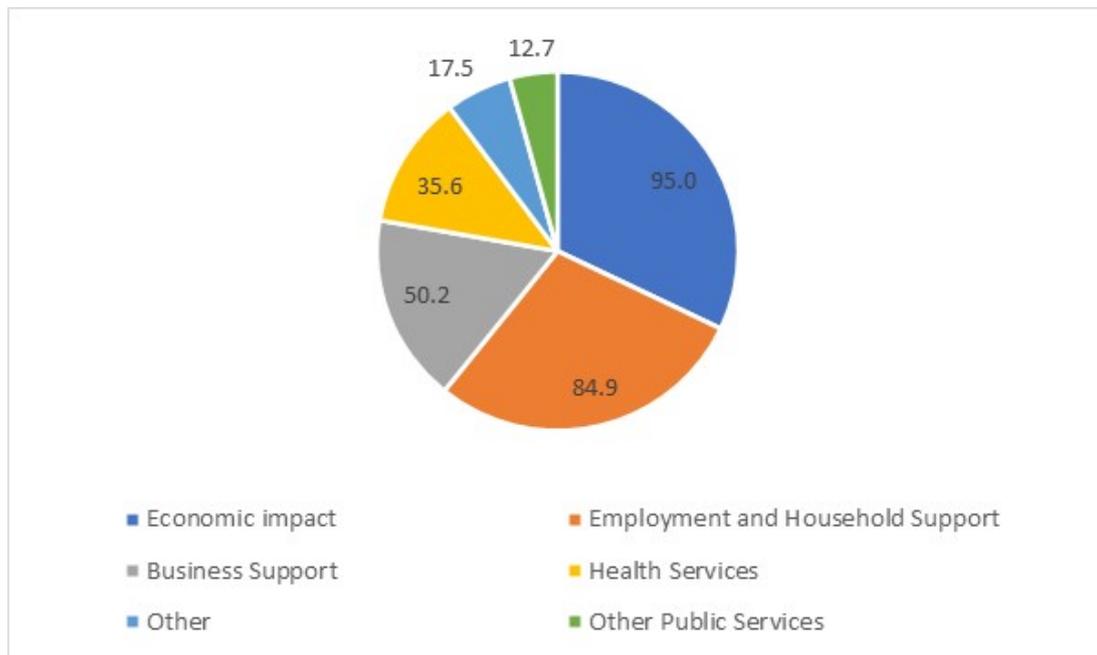
- 3.7 Local government forms only a small part of the overall government expenditure related to Covid-19. The pie chart below sets out the estimated impact of the various elements that have contributed to the overall increase in public borrowing this financial year.

² Bank of England, Monetary Policy Report, November 2020

³ Capital Economics, UK Economic Update, November 2020

⁴ Institute for Fiscal Studies, IFS Green Budget 2020, p 180

Figure 2: Drivers of increase in government borrowing 2020/21 (£ billion)



- 'Other public services' includes public transport, education and local government.
- 'Other' includes the devolved administrations, revenue measures, the Culture Recovery Fund, 'Eat Out to Help Out' and several other programmes.

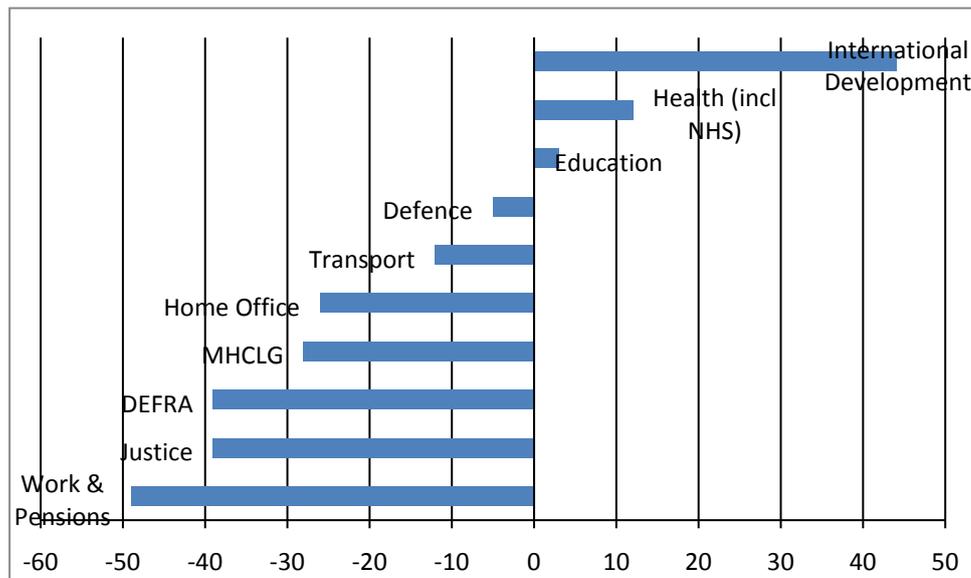
Source: IFS Green Budget 2020

- 3.8 By comparison with the amounts being spent on direct support for businesses and individuals and on the NHS, local government has received relatively little support. Direct unringfenced government grants have amounted to £4.6 billion, which has been paid out in a number of different tranches as the increasing scale of the pressure on local authorities has emerged. There has also been a plethora of other grants to local councils to cover specific initiatives, typically accompanied by detailed conditions about how the grant is to be spent.
- 3.9 The finances of some local authorities, mostly upper tier authorities, were already fragile before the onset of Covid-19. This has led to much discussion about whether the pressures of Covid-19, on top of any pre-existing issues, would lead to individual authorities failing to balance their budgets. A number of councils have been in discussions with the Ministry of Housing, Communities and Local Government (MHCLG) about this risk. For example, the London Borough of Croydon sought additional financial support, which prompted the government to commission a review of the council's governance, culture and management of risk. The implication is that financial support for Croydon, or any other council in a similar situation, will be accompanied by an increased degree of central government involvement.
- 3.10 Although the incremental cost of the local government response to the pandemic has been relatively small, it is generally considered that, where local authorities have been actively involved in the response, they have performed well, taking advantage of their local knowledge and the strong

professional culture of the sector. Many local authority political leaders have challenged central government over its apparent reluctance to make more use of local councils.

- 3.11 The relatively low value placed on local authorities' role is consistent with the way that public expenditure has been prioritised by central government in recent years. See graph below.

Figure 3: Planned real change to Departmental Expenditure Limits 2010-11 – 2019-20 (per cent)



- 3.12 MHCLG, which provides central government funding for local authorities, has seen some of the biggest cuts. Although the policy of austerity in the first part of the last decade has now been reversed, there has been no indication, either before or during the Covid-19 pandemic, that the current Conservative government envisages a bigger role for local authorities.
- 3.13 The effects of austerity in local government have not been spread evenly between authorities. The increasing costs of adult social care and children's social care – services delivered by the upper tier of local government – contribute by far the majority of the funding gap faced by the sector. In the short term, upper tier authorities such as Kent County Council currently face the greatest financial risks. In the medium term, when local government spending needs are eventually assessed against resources in the government's 'Fair Funding Review', it is likely that any rebalancing of public spending will benefit the upper tier authorities that deliver these services, rather than District Councils like Maidstone.

Conclusion

- 3.14 Covid-19 has had an enormous impact on the national economy and consequently on public finances. Whilst central government has spent unprecedented amounts of money to support the NHS, businesses and individuals, support for local authorities has been tailored quite strictly to their specific needs, and to specific initiatives that they have been asked to

undertake by central government. Where Covid-19 has led to unsustainable pressure on individual councils' finances, it appears that any additional financial support is likely to be contingent on accepting government intervention. Councils therefore need to look, first and foremost, to measures that are within their own control to ensure financial resilience.

4. CURRENT FINANCIAL POSITION

4.1 As a lower tier authority, Maidstone Borough Council is not subject to the extreme pressures currently faced by upper tier authorities. It is nevertheless appropriate to assess the Council’s financial resilience. There are a number of elements that contribute to financial resilience, according to CIPFA⁵:

- level of reserves
- quality of financial management, including use of performance information
- effective planning and implementation of capital investment
- ability to deliver budget savings if necessary
- risk management.

An assessment is set out below of how the Council performs on these measures.

Level of Reserves

4.2 Maidstone Borough Council’s financial position, as shown by its most recent balance sheet, is as follows (unallocated General Fund balance highlighted, previous year shown for comparative purposes).

Table 2: Maidstone Borough Council balance sheet

	31.3.19 £ million	31.3.20 £ million
Long term assets	121.9	161.4
Current assets	32.9	28.0
Current liabilities	-29.1	-47.7
Long term liabilities	-75.0	-77.1
Net assets	50.7	64.6
Unusable reserves	-35.1	-47.4
	15.6	17.2
Represented by:		
Unallocated General Fund balance	9.2	8.8
Earmarked balances	5.8	7.8
Capital receipts reserve	0.6	0.6
Total usable reserves	15.6	17.2

4.3 The maintenance of the unallocated general fund balance is an essential part of the Council’s strategic financial planning, as this amount represents the funds available to address unforeseen financial pressures.

4.4 For local authorities there is no statutory minimum level of unallocated reserves. It is for each Council to take a view on the required level having

⁵ CIPFA Financial Management Code, Guidance Notes, p 51

regard to matters relevant to its local circumstances. CIPFA guidance issued in 2014 states that to assess the adequacy of unallocated general reserves the Chief Financial Officer should take account of the strategic, operational and financial risks facing their authority. The assessment of risks should include external risks, such as natural disasters, as well as internal risks such as the achievement of savings.

- 4.5 Maidstone Council has historically set £2 million as a minimum level for unallocated reserves. In the light of the heightened risk environment now facing the Council, it is considered that this minimum should be increased to £4 million.

Current Position

- 4.6 Since the balance sheet date of 31 March 2020, the position has changed completely as a result of the Covid-19 pandemic. The Council has:
- Incurred substantial additional expenditure, in particular as a result of accommodating homeless people and establishing a community hub;
 - Lost substantial income in areas such as parking;
 - Suffered a reduction in Council Tax and Business Rates receipts.

These additional pressures have only been partially mitigated by government support.

- 4.7 As at November 2020 the likely outturn for the financial year remains unclear, given the second wave of Covid-19 infections and resulting lockdown, and potential further outbreaks in future. However, it is likely that there will be a deficit which will reduce reserves below the current level of £8.8 million.

Financial management

- 4.8 Financial management at Maidstone Borough Council contains a number of elements. Officers and members are fully engaged in the annual budget setting process, which means that there is a clear understanding of financial plans and the resulting detailed budgets
- 4.9 Detailed financial reports are prepared and used on a monthly basis by managers, and on a quarterly basis by elected members, to monitor performance against the budget. Reports to members are clear, reliable and timely, enabling a clear focus on any areas of variance from the plan.
- 4.10 Financial reports are complemented by performance indicators, which are reported both at the service level to the wider leadership team, and at a corporate level to members. Member reports on performance indicators are aligned with the financial reports, so that members see a comprehensive picture of how services are performing.
- 4.11 Financial management and reporting is constantly reviewed to ensure that it is fit for purposes and meets the organisation's requirements. Quarterly financial reports to members have been redesigned over the last two years to make them more user-friendly.

- 4.12 Where variances arise, prompt action is taken to address them. Action plans are put in place at an early stage if it appears that there is likely to be a budget overspend.

Capital investment

- 4.13 Capital expenditure proposals are developed in response to the Council's strategic priorities as part of the annual budget cycle. Capital investment must fall within one of the four following categories: required for statutory reasons, eg to ensure that Council property meets health and safety requirements; schemes that are self-funding and meet Strategic Plan priority outcomes; other schemes that are clearly focused on Strategic Plan priority outcomes; and other priority schemes which will attract significant external funding. All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code.
- 4.14 Member oversight is ensured, first by inclusion of schemes in the capital programme that is approved as part of the annual budget setting process. Subsequently, prior to any capital commitment being entered into, a report setting out details of the capital scheme is considered by the relevant service committee.
- 4.15 The Council has a corporate project management framework that applies to most of the projects included within the capital programme. This provides for designation of a project manager and sponsor, and includes a mechanism for progress on major projects to be reported to a Strategic Capital Investment Board.
- 4.16 Financial monitoring of capital projects is incorporated within the quarterly reports to Service Committees.

Ability to deliver budget savings

- 4.17 The Council has a good track record of delivering budget savings, whilst sustaining and investing in services. Savings initiatives are planned so far as possible across the five year period of the MTFS, rather than the focus being simply on achieving whatever savings are necessary in order to balance the budget for the coming year.
- 4.18 A common criticism of local authority financial planning is that proposed savings are often over-optimistic and are not based on realistic evidence of what is achievable. The Council aims to mitigate this risk with a robust process for developing budget savings proposals:
- New and updated savings proposals are sought on a regular annual cycle, with Service Managers typically briefed on the savings remit in August/September
 - Savings proposals are then developed over a period of around two months

- Savings proposals have to be formally documented and signed off by the Service Head who will be responsible for delivering them.

4.19 Once savings have been built into the budget, their achievement is monitored as part of the regular financial management process described above.

Risk management

4.20 The Council's MTFS is subject to a high degree of risk and certainty. In order to address this in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each meeting.

4.21 The major risk areas that have been identified as potentially threatening the Medium Term Financial Strategy are as follows.

- Financial impact from resurgence of Covid-19 virus
- Fees and Charges fail to deliver sufficient income
- Adverse impact from changes in local government funding
- Collection targets for Council Tax and Business Rates missed
- Adverse financial consequences from a disorderly Brexit
- Capital programme cannot be funded
- Planned savings are not delivered
- Failure to contain expenditure within agreed budgets
- Inflation rate predictions in MTFS are inaccurate
- Constraints on council tax increases
- Litigation costs exceed budgeted provisions
- Commercialisation fails to deliver additional income
- Business Rates pool fails to generate sufficient growth
- Shared services fail to meet budget
- Council holds insufficient balances
- Increased complexity of government regulation.

It is recognised that this is not an exhaustive list. By reviewing risks on a regular basis, it is expected that any major new risks will be identified and appropriate mitigations developed.

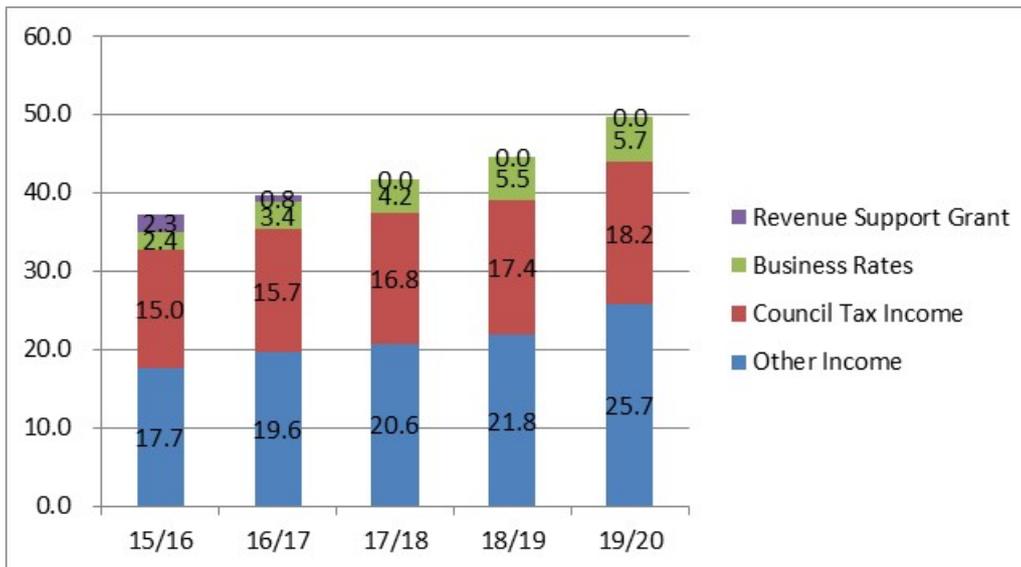
Conclusion

4.22 When assessed against the CIPFA criteria for financial resilience, the Council can be seen to have adequate reserves in the short term and to be positioned well to manage the financial challenges it will face. The following section considers whether this position is sustainable.

5. AVAILABLE RESOURCES

- 5.1 The Council's main sources of income are Council Tax and self-generated income from a range of other sources, including parking, planning fees and property investments. It no longer receives direct government support in the form of Revenue Support Grant; although it collects around £60 million of business rates annually, it retains only a small proportion of this.

Figure 4: Sources of Income (£ million)



Council Tax

- 5.2 Council Tax is a product of the tax base and the level of tax set by Council. The tax base is a value derived from the number of chargeable residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions.
- 5.3 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below.

Table 3: Number of Dwellings in Maidstone

	2016	2017	2018	2019	2020
Number of dwellings	68,519	69,633	70,843	71,917	73,125
% increase compared with previous year	1.18%	1.63%	1.74%	1.52%	1.68%

Note: Number of dwellings is reported each year based on the position shown on the valuation list in September.

- 5.4 Whilst the effect of the increased number of dwellings is to increase the Council Tax base, this is offset by the cost of reliefs for council tax payers, in particular Council Tax support, and any change in the percentage of Council Tax collected. Covid-19 has led both to an increase in the number of Council Tax support claimants and a fall in the collection rate.

- 5.5 The level of council tax increase for 2021/22 is a decision that will be made by Council based on a recommendation made by the Policy and Resources Committee. The Council's ability to increase the level of council tax is limited by the requirement to hold a referendum for increases over a government set limit. The referendum limit for 2020/21 was the greater of 2% or £5.00 for Band D tax payers. Council Tax was increased by the maximum possible, ie £5.13 (2%).

Other income

- 5.6 Other income is an increasingly important source of funding for the Council. It includes the following sources of income:

- Parking
- Shared services
- Commercial property
- Planning fees
- Cremations
- Garden waste collection
- Income generating activity in parks

Where fees and charges are not set by statute, we apply a policy that guides officers and councillors in setting the appropriate level based on demand, affordability and external factors. Charges should be maximised within the limits of the policy, but customer price sensitivity must be taken into account, given that in those areas where we have discretion to set fees and charges, customers are not necessarily obliged to use our services.

- 5.7 Other income, particularly parking, has been seriously affected by Covid-19. Whilst the government has committed to compensating local authorities for 70% of lost income above a 5% threshold in 2020/21, there has been no guarantee of ongoing support in the event that income fails to return to pre-Covid-19 levels.

Business Rates

- 5.8 Under current funding arrangements, local government retains 50% of the business rates it collects. The aggregate amount collected by local government is redistributed between individual authorities on the basis of perceived need, so that in practice Maidstone Borough Council receives only around 7% of the business rates that it collects.
- 5.9 Prior to the 2017 General Election, the Government was preparing to move to 100% business rates retention with effect from 2020. The additional income would have been accompanied by devolution of further responsibilities to local government. However, the need to accommodate Brexit legislation meant that there was no time to legislate for this. The Government indicated that they would increase the level of business rates retention to the extent that it was able to do within existing legislation, and had originally planned to introduce 75% business rates retention with effect from 2021/22. However, these plans have been delayed for at least another 12 months owing to the Covid-19 pandemic.

- 5.10 In the meantime, the November Spending Review is expected to mean a 'roll-forward' settlement for local government in 2021/22, with the existing 50% scheme retained and the amounts retained by individual local authorities increased in line with inflation.
- 5.11 Any new business rates retention regime, coming into effect in 2022/23 or subsequently, would be linked to a mechanism for rates equalisation to reflect local authorities' needs. These will be assessed based on a 'Fair Funding Review'. The overall amounts to be allocated as part of the Fair Funding Review are yet to be determined. It is therefore difficult to predict with any degree of accuracy whether the proportion of business rates retained by Maidstone will remain the same, increase or decrease from 2021/22 onwards.
- 5.12 The current local government funding regime gives authorities the opportunity to pool their business rates income and retain a higher share of growth as compared with a notional baseline set in 2013/14. Maidstone has been a member of the Kent Business Rates pool since 2014/15. Its 30% share of the growth arising from membership of the pool has hitherto been allocated to a reserve which is used for specific projects that form part of the Council's economic development strategy. A further 30% represents a Growth Fund, spent in consultation with Kent County Council. This has been used to support the Maidstone East development.
- 5.13 It should be noted that in 2022, the business rates baseline will be reset, so all growth accumulated to that point will be reallocated between local authorities as described in paragraph 5.11 above.
- 5.14 Total projected business rates income for 2020/21, and the ways in which it was originally intended to deploy it, are summarised in the table below.

Table 4: Projected Business Rates Income 2020/21

	£000	
Business Rates baseline income	3,260	Included in base budget
Growth in excess of the baseline	1,210	Included in base budget
Pooling gain (MBC share)	542	Funds Economic Development projects
Pooling gain (Growth Fund)	542	Spent in consultation with KCC, eg on Maidstone East
Total	5,554	

- 5.15 These are budgeted amounts. The actual amounts received will be lower if Covid-19 continues to have an adverse impact on collection performance.

Revenue Support Grant

- 5.16 Maidstone no longer benefits directly from central government support in the form of Revenue Support Grant, as it is considered to have a high level of resources and low needs. In fact, Councils in this situation were due to be penalised by the government under the previous four year funding

settlement, through a mechanism to levy a 'tariff / top-up adjustment' – effectively negative Revenue Support Grant. Maidstone was due to pay negative RSG of £1.589 million in 2019/20. However, the government faced considerable pressure to waive negative RSG and removed it in the 2019/20 and 2020/21 Local Government Finance Settlements. The government has also stated that it is minded not to levy negative RSG in 2021/22.

- 5.17 From 2022/23 there will be a new local government funding regime. However, it should be noted that a needs-based distribution of funding will continue to create anomalies like negative RSG, so it cannot be assumed that the threat of losing funding in this way (even if the mechanism is different) has gone away.

Conclusion

- 5.18 It can be seen that ongoing revenue resources are likely to be adversely affected by the Covid-19 pandemic in the short term, at a time when services pressures will increase. The previous section indicated that the Council's reserves, while adequate, do not leave it with a large amount of flexibility. This puts a premium on accurate forecasting and strong financial management.

6. SCENARIO PLANNING

6.1 Owing to uncertainty arising from the economic environment, and from the lack of clarity about what the government's plans for local government funding will mean for the Council, financial projections have been prepared for three different scenarios, as follows.

1. Favourable

The economy recovers rapidly from the impact of the Covid-19 pandemic. The effect is that its previous growth trajectory resumes from 2022/23 onwards and this feeds through to income from Council Tax, Business Rates and other sources. Inflation remains under control and within the government's 2% target.

2. Neutral

Covid-19 has a more longer-lasting impact, with some permanent scarring of the economy. The result is that Council income starts growing again, but does not resume its previous pattern until the end of the five year planning period. Inflation remains within the government's 2% target.

3. Adverse

There continue to be outbreaks of Covid-19, and future international trading arrangements fail to replicate the economic benefits of EU membership. As a result, the economy is slower to recover and sterling falls in value against other currencies, leading to a resurgence of inflation. This both reduces Council income and leads to increased service pressures in areas like homelessness.

Details of key assumptions underlying each of these scenarios are set out below.

Council Tax

6.2 It is assumed that the Council will take advantage of any flexibility offered by central government and will increase Council Tax up to the referendum limit, which is assumed to be 2% in 2021/22. It is not known at this stage what the referendum limit will be for subsequent years, but it is assumed to be 2%, to align with the government's inflation target.

6.3 The other key assumption regarding Council Tax is the change in the Council Tax base. The number of properties in Maidstone has grown by over 1.5% for the past four years. However, if there is a downturn in the economy, this rate of increase could fall. Moreover, Covid-19 is likely to reduce the amount of Council Tax collectible from each household. Assumptions are as follows:

	21/22	22/23 onwards
Favourable	1.0%	2.0%
Neutral	-0.5%	1.5%

Adverse	-2.0%	1.0%
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Business Rates

- 6.4 It is likely that for 2021/22, the government will roll forward the existing arrangements, with an increase in the business rates baseline to reflect inflation.
- 6.5 After 2022, the proportion of business rates retained by the authority will be adjusted to reflect the findings of the Fair Funding Review and the Spending Review. It is very difficult to predict what this will mean in practice. However, for the purposes of revenue projections, a number of assumptions have been made.
- 6.6 The starting point in the government's calculations will be Maidstone's perceived level of need, which in the previous four year funding settlement led to the Council being faced with a negative revenue support grant payment of £1.589 million in 2019/20. In the event, this was not levied on the Council, following concerted lobbying by Maidstone and other authorities that faced negative RSG. The amount of negative RSV thus avoided is being held in reserve to address likely future funding pressures.
- 6.7 The starting point for future business rates income is therefore assumed to be the current baseline share of business rates income, as adjusted for inflation in 2021/22, less £1.589 million. It is not accepted that this would be a fair allocation of business rates income but it is nevertheless prudent to make this assumption for forecasting purposes.
- 6.8 A further factor to be considered is the resetting of the government's business rates baseline. This represents the level above which the Council benefits from a share in business rates growth. It is likely that the government will reset the baseline in order to redistribute resources from those areas that have benefitted most from business rates growth in the years since the current system was introduced in 2013, to those areas that have had lower business rates growth. Accordingly, cumulative business rates growth has been removed from the projections for 2022/23, then is gradually reinstated from 2023/24.
- 6.9 Given these assumptions, the specific assumptions for business rates growth in each scenario are as follows:

	2021/22		2022/23 onwards	
	Baseline growth	Local growth	Baseline growth	Local growth
Favourable	5.0%	0.0%	3.0%	3.0%
Neutral	0.0%	-5.0%	2.0%	2.0%
Adverse	-5.0%	-10.0%	0.0%	0.0%

Inflation

- 6.10 For the purpose of forecasting, it is assumed that the government's target rate of inflation is 2% is achieved in the favourable and neutral scenarios.

A higher rate of 3% is assumed in the adverse scenario, reflecting the risk of increases in input prices pushing up inflation rates.

Pay inflation

- 6.11 Pay is the Council’s single biggest item of expenditure, accounting for around 50% of total costs. Although the Council sets pay rates independently of any national agreements, in practice it has to pay attention to overall public sector and local authority pay settlements, as these affect the labour market in which the Council operates. It is assumed for the first three years of the MTFS planning period that the annual increase will be 1%. An additional amount has to be allowed for in pay inflation assumptions arising from the annual cost of performance related incremental increases for staff.

Fees and charges

- 6.12 Fees and charges are affected by changes both in price levels and in volume. The projections imply that the level of fees and charges will increase in line with overall inflation assumptions, to the extent that the Council is able to increase them. In practice, it is not possible to increase all fees and charges by this amount as they are set by statute. Accordingly, the actual increase in income shown in the projections is 50% of the general inflation assumption in each scenario.
- 6.13 The sensitivity of fees and charges income to overall economic factors varies across different income streams. Parking income is highly sensitive, and has been very severely affected by the Covid-19 pandemic. Other sources of income, such as income from industrial property holdings, are more stable.

Contract costs

Costs are generally assumed to rise in line with inflation, but a composite rate is applied to take account of higher increases on contracts like waste collection where the growth in the number of households leads to a volume increase as well as an inflation increase.

- 6.14 Inflation assumptions are summarised as follows.

Table 5: Inflation Assumptions

	Favourable	Neutral	Adverse	Comments
General	2.00%	2.00%	3.00%	2% is the government’s target inflation rate but in reality it is likely to be lower in the next few years.
Employee Costs	1.00%	1.00%	2.00%	Neutral assumption is in line with the most recent pay settlement and government inflation targets
	0.50%	0.50%	0.50%	The annual cost of performance related

	Favourable	Neutral	Adverse	Comments
				incremental increases for staff
Contract costs	2.00% - 5.00%	2.00% - 5.00%	2.00% - 8.00%	A composite rate is applied, reflecting different pressures on individual contracts
Fees and charges - price	2.00%	2.00%	3.00%	In line with general inflation assumptions
Fees and charges - volume	2.00%	0.00%	-2.00%	Reflects overall economic conditions

Service Spend

- 6.15 Strategic Revenue Projections under all scenarios assume that service spend will remain as set out in the previous MTFs, so savings previously agreed by Council will be delivered and no further growth arising from the new Strategic Plan is incorporated. In practice, it is likely that service spending would need to be reduced if the adverse scenario were likely to arise.
- 6.16 The projections include provision for the revenue cost of the capital programme, comprising interest costs (2.5%) and provision for repayment of borrowing (2%).

Summary of Projections

- 6.17 A summary of the financial projections under the neutral scenario is set out in section 7.

7. REVENUE PROJECTIONS

- 7.1 Strategic revenue projections, based on the assumptions set out above, are summarised in table 7 below for the 'neutral' scenario. More detailed projections are included in Appendix B.
- 7.2 In light of the many uncertainties around future funding, it is important to note that projections like these can only represent a 'best estimate' of what will happen. These projections will be updated as more information becomes available, prior to a final version of the projections being included in the Medium Term Financial Strategy to be presented to Council in February 2021.

Table 6: Strategic Revenue Projections 2021/22-2025/26

	20/21	20/21	21/22	22/23	23/24	24/25	25/26
	Orig budget	Latest projn	Forecast				
	£m	£m	£m	£m	£m	£m	£m
Council Tax	16.8	16.1	17.1	17.7	18.3	19.0	19.6
Business Rates	4.5	3.7	3.9	3.3	3.5	3.8	4.1
Other Income	21.7	17.4	18.8	20.0	21.2	22.9	23.7
Total Funding Available	43.0	37.2	39.8	41.0	43.0	45.7	47.4
Predicted Expenditure ¹	43.0	43.2	43.1	41.6	43.0	45.0	47.1
Budget Gap	0.0	-6.0	-3.3	-0.6	0.0	0.7	0.3
Existing Planned Savings			0.9	0.6	0.2		
Contribution to Reserves					0.2	0.7	0.3
Residual Budget Gap			-2.4	-0.0	0.0	0.0	0.0

¹ Predicted Expenditure assumes that Existing Planned Savings and Savings Required arising in the preceding year have been delivered and are built into the budget.

- 7.3 The above table shows that, based on the 'neutral' scenario, income will recover from the levels projected in 2020/21, and one-off additional expenditure will reduce. However, there will not be a full recovery, with income remaining below the levels previously projected. In the absence of any mitigating action, this would lead to a deficit, smaller than the £6.0 million projected in the current year, but still very significant.
- 7.4 The MTFs must balance the very tight financial constraints set out in previous sections with the requirement to deliver the Strategic Plan. Members considered at Policy and Resources Committee on 16th September 2020 a number of ways in which the objectives in the Strategic Plan could be re-prioritised, including:
- A more modest direction of travel in developing the museum
 - Reconsidering the sustainability of the Hazlitt Theatre

- Reviewing the scope of our community safety work.

7.5 At the same time, as agreed by the Committee at its meeting on 21st July 2020, a radical and ambitious approach is required to transforming the way the Council does business. This includes:

- Review of office accommodation
- Better use of technology
- Better use of external grant funding
- Identifying further opportunities for income generation
- Absorb overhead costs of delivering the capital programme within the cost of individual schemes
- Better service commissioning
- Review of shared service arrangements
- Review of staff reward packages
- Review of the structure of democratic representation
- Exploit synergies between service areas.

A further area for exploration that was identified in the report to Policy and Resources Committee on 21st July, absorbing the overhead costs of project delivery within the savings from individual projects, will be reflected when examining project feasibility, in particular in the area of better use of technology.

7.6 The overall approach will be that nothing is excluded from consideration, including proposals made in the past but rejected at the time.

7.7 It is recognised that savings proposals emerging from this work will not be capable of being implemented over the next twelve months. In the meantime it will therefore be necessary to deploy earmarked reserves, including resources hitherto earmarked for other purposes, such as New Homes Bonus and uncommitted Business Rates Growth proceeds. This is a departure from the Council's existing policy, but is considered to be justified given the scale of the budget gap that the Council faces.

7.8 The following table plots the projected savings trajectory against the SRP projections and shows the impact on reserves. It assumes that one-off funding from New Homes Bonus and the Business Rates Pool can be deployed to meet the budget shortfall. Both of these resources are time-limited. New Homes Bonus is expected to be phased out over the next few years. The Business Rates Pool gives the Council a share of growth in excess of the business rates baseline, but the baseline is expected to be reset in 2022/23.

Table 7: Use of Reserves

	21/22	22/23	23/24	24/25	25/26
	£m	£m	£m	£m	£m
Savings Required (from Table 7)	-2.4	0.0	0.0	0.0	0.0
Proposed savings	1.0	0.4	0.4	0.2	0.0

Savings shortfall b/f		-1.4	-1.0	-0.6	-0.4
Savings shortfall c/f	-1.4	-1.0	-0.6	-0.4	-0.4
New Homes Bonus	2.3	1.2			
Additional borrowing costs/MRP arising from use of NHB for revenue	-0.1	-0.2	-0.2	-0.2	-0.2
Business Rates Pool surplus (est)	0.3				
Contribution to reserves			0.2	0.7	0.3
General Fund reserves b/f	6.8	7.9	8.0	7.4	7.6
General Fund reserves c/f	7.9	8.0	7.4	7.6	7.3

7.9 The above table shows that by using New Homes Bonus, the Council can sustain reserves at broadly the same level as at present.

7.10 Note that there are a number of risks inherent in this approach. It assumes that the budget gap will not widen further over the next three years, and therefore that the level of savings currently projected will be adequate. It also requires a sustained effort to deliver savings over a long period of time. However, these risks need to be weighed against the feasibility of making large scale savings in a short period of time and the disruptive effect that this might have.

8. CAPITAL STRATEGY

- 8.1 The capital programme plays a vital part in delivering the Council's strategic plan, since long term investment plays an essential role in realising our ambitions for the borough. The cost of the capital programme is spread over the lifetime of investments, so does not have such an immediate impact on the revenue budget position. However, there are revenue consequences to the capital programme. Maidstone Borough Council borrowed to fund its capital programme for the first time in 2019/20. The cost of borrowing is factored into the 2020/21 budget, along with a Minimum Revenue Provision which spreads the cost of loan repayments over the lifetime of an asset. The budgeted total revenue costs of the capital programme in 2020/21 amounted to £1.870 million.
- 8.2 Typically, local authorities fund capital expenditure by borrowing from the Public Works Loan Board, which offers rates that are usually more competitive than those available in the commercial sector. Prior to 2019/20, Maidstone Borough Council had not borrowed to fund its capital programme, instead relying primarily on New Homes Bonus to fund the capital programme. Borrowing has not been required so far in 2020/21, but is likely to be in subsequent years. The cost of any borrowing is factored into the MTFS financial projections.
- 8.3 Public Works Loan Board funding has for several years offered local authorities a cheap source of finance, which has been used more and more extensively. The government is expected to revise the terms of PWLB borrowing to ensure that local authorities use it only to invest in housing, infrastructure and public services. Given the Council's capital strategy, this should not prevent us accessing PWLB borrowing. In any case, given that borrowing costs in the market generally remain very low, it is considered likely that local authorities will be able to continue to borrow cheaply from other lenders, if not from the PWLB.
- 8.4 There has been a reduction of the period for which New Homes Bonus would be paid from six years to five in 2017/18 and then to four in 2019/20 and 2020/21. The government is likely to pay New Homes Bonus on a one-year only basis in 2021/22, but under the new Local Government funding regime to be implemented from 2022/23 a new, unspecified mechanism for incentivising housebuilding is envisaged.
- 8.5 External funding is sought wherever possible and the Council has been successful in obtaining Government Land Release Funding for its housing developments and ERDF funding for the Kent Medical Campus Innovation Centre.
- 8.6 Funding is also available through developer contributions (S 106) and the Community Infrastructure Levy (CIL). The Community Infrastructure Levy was introduced in Maidstone in October 2018.

8.7 The current funding assumptions used in the programme are set out in the table below.

Table 8: Capital Programme Funding

	20/21	21/22	22/23	23/24	24/25	Total
	£000	£000	£000	£000	£000	£000
External sources	4,738	10,175	3,881	2,232	2,242	23,268
Own resources	530	517	537	568	580	2,732
Debt	32,997	11,604	13,262	12,284	12,272	82,418
TOTAL	38,265	22,296	17,680	15,084	15,094	108,418

8.8 Under CIPFA's updated Prudential Code, the Council is now required to produce a Capital Strategy, which is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy was approved by Council at its meeting on 26th February 2020 and will be updated in February 2021.

8.9 The existing capital programme was approved by Council at its budget meeting on 26th February 2020. Major schemes include the following:

- Completion of Brunswick Street and Union Street developments
- Granada House extension
- Further mixed housing and regeneration schemes
- Purchase of housing for temporary accommodation
- Flood Action Plan
- Mote Park Improvements
- Further investment at Lockmeadow Leisure Complex
- Commercial Property Investments
- Kent Medical Campus Innovation Centre
- Mall Bus Station Improvements
- Biodiversity and Climate Change.

8.10 The capital programme for 2020/21 has been reviewed in the light of the Covid-19 pandemic. The majority of projects in the current programme are either already under way, are required for health and safety reasons, or must be carried out to meet contractual commitments. However, it is proposed that a number of projects are deferred to 2021/22, which will have the effect of reducing the in-year revenue costs of capital expenditure.

8.11 The capital programme is reviewed every year. In carrying out the annual review, prior to presentation of revenue and capital budget proposals to Council in February 2021, consideration will be given as to how the capital programme can support the process of recovery from Covid-19, eg by investing in projects that have a positive effect on employment and economic regeneration.

8.12 A review of the schemes in the capital programme is currently under way. Proposals will be considered for new schemes to be added to the capital programme, whilst ensuring that the overall capital programme is sustainable and affordable in terms of its revenue costs. An updated capital programme will be considered by Policy and Resources Committee in January 2021 and recommended to Council for approval.

9. CONSULTATION AND NEXT STEPS

- 9.1 Each year the Council carries out consultation as part of the development of the MTFs. A budget survey has been carried out and is attached as Appendix C.
- 9.2 Consultation will be undertaken with the business community, including a presentation to the Maidstone Economic Business Partnership.
- 9.3 Consultation will also take place in January 2021 on the detailed budget proposals. Individual Service Committees considered the budget proposals relating to the services within their areas of responsibility. Full details of the proposals were published and residents' and businesses' views welcomed.
- 9.4 The process of member consultation on the MTFs is as follows:

<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	25 November 2020
Communities Housing & Environment Committee	1 December 2020
Strategic Planning & Transportation Committee	8 December 2020
Economic Regeneration & Leisure Committee	15 December 2020
Council	24 February 2021

Document History

Date	Description	Details of changes
25.11.20	Draft to Policy & Resources Committee	
01.12.20	Draft to Service Committees	Minor typographical changes

**REVENUE ESTIMATE 2021/22 to 2025/26
STRATEGIC REVENUE PROJECTION - NEUTRAL**

2020/21 £000		2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
16,817	COUNCIL TAX	17,068	17,670	18,294	18,940	19,608
3,260	RETAINED BUSINESS RATES	3,260	3,325	3,392	3,459	3,529
1,210	BUSINESS RATES GROWTH	605	0	180	362	546
	COLLECTION FUND ADJUSTMENT					
21,287	PROJECTED NET BUDGET	20,932	20,995	21,866	22,761	23,683
21,709	OTHER INCOME	21,924	18,244	20,859	22,046	22,940
	FORECAST CHANGE IN INCOME	-3,090	1,767	384	893	781
42,996	TOTAL RESOURCES AVAILABLE	39,766	41,006	43,109	45,701	47,403
41,314	CURRENT SPEND	42,996	39,766	41,006	43,109	45,701
	INFLATION & CONTRACT INCREASES					
1,013	PAY, NI & INFLATION INCREASES	765	1,002	1,033	1,064	1,096
	EXTERNAL BUDGET PRESSURES					
150	PENSION DEFICIT FUNDING	40	40	150	150	150
	LOCAL PRIORITIES					
24	GROWTH TO MEET STRATEGIC PRIORITIES					
10	ADDITIONAL GROWTH AGREED BY P&R	-10				
	REPROFILE LOCAL PLAN REVIEW		100	-280	60	120
	OTHER SERVICE PRESSURES					
	PROVISION FOR MAJOR CONTRACTS			500		
1,870	REVENUE COSTS OF CAPITAL PROGRAMME	893	646	562	583	
	CONTINGENCY FOR FUTURE PRESSURES	-1,589				
50	GENERAL GROWTH PROVISION	50	50	50	50	50
44,431	TOTAL PREDICTED REQUIREMENT	43,145	41,605	43,021	45,015	47,117
-1,435	SAVINGS REQUIRED	-3,379	-598	88	686	286
1,611	EXISTING SAVINGS	890	603	200	0	0
-89	NEW AND AMENDED SAVINGS / (GROWTH)	0	0	0	0	0
87	SURPLUS / (DEFICIT)	-2,489	5	288	686	286

Budget 2021/22

CONSULTATION REPORT



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POLICY & INFORMATION TEAM

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Key Findings

- 29.3% ($\pm 2.8\%$) of respondents agreed that Maidstone Borough Council provides value for money.
- The proportion disagreeing that the Council provides good value for money has increased for the first time in four years. In 2019, 26.9% of respondents disagreed while for 2020, 31.8% of survey respondents disagreed that the Council provides good value for money.
- 28.4% ($\pm 2.8\%$) said Council Tax should increase to help close the budget gap. While six in ten respondents said there should be no increase in Council Tax.
- Just over one in five respondents said that the Council should increase fees and charges. The top three areas for fee increases chosen by these respondents were building control, planning advice and festivals and events.
- Prioritisation of investment programmes remains the same from 2019, with Infrastructure including flood preventions and street scene scoring highly and new homes the lowest scoring priorities.
- More than half of all respondents said that charges should not be introduced in new areas/ for services.
- The top two most important services provided by the Council to residents were waste collection and parks and open spaces.
- The proportion of residents dissatisfied with their local area as a place to live has dropped from just over a quarter in 2019 to just under a fifth for 2020.
- 51.1% ($\pm 3.1\%$) said they were either 'Very proud' or 'Fairly proud' of Maidstone Borough. This is an increase of 11.4 percentage points compared to the result for 2019.

Methodology

The survey was open between 7 October and 5 November 2020. It was promoted online through the Council's website and social media channels. Residents who have signed up for consultation reminders were notified and sent an invitation to participate in the consultation.

The data has been weighted by age and gender based on the population in the ONS mid-year population estimates 2019 to ensure that the results more accurately match the known profile of Maidstone Borough's population. While this approach assists in achieving a more representative sample for analysis, some groups remain under-represented.

There were 1007 weighted responses (1039 unweighted responses) to the survey. Based on Maidstone's population aged 18 years the overall results are accurate to approximately $\pm 3.1\%$ at a 95% confidence level. This means that if the same survey was repeated 100 times, 95 times out of 100 the results would be between $\pm 3.1\%$ of the calculated response, so the 'true' response could be 3.1% above or below the figures reported (i.e. a 50% agreement rate could in reality lie within the range of 46.9% to 53.1%). Confidence intervals for individual questions are shown as plus/minus percentages in brackets.

When the sample size is smaller, as is the case for certain groups, the confidence intervals are wider as it is less certain that the individuals in the sample are representative of the population. This means that it is more difficult to draw inferences from the results.

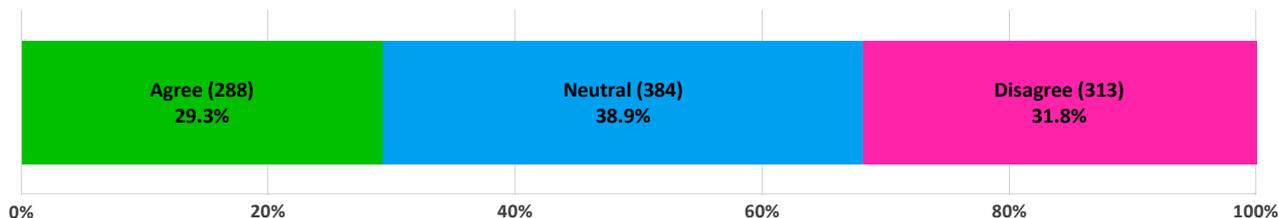
Under-representation of 18 to 34-year olds means that high weights have been applied to responses in this group, therefore results for this group should be treated with caution. Respondents from BAME backgrounds are also under-represented at 5.0% compared to 5.9% in the local area. Due to a small sample size after weighting the BAME respondent group has greater confidence intervals. This means what appear to be a large gap between BAME respondents and white respondents could be up to $\pm 14\%$ the reported figure, depending on the number of responses to each question.

Where reference has been made in the report to a 'significant difference' in response between groups, the proportional data has been z-tested and means have been t-tested. These tests determine if the difference between subgroups is large enough, taking into account the population size, to be statistically significant (meaning that if we were to run the same survey 100 times, at least 95 times out of 100 the same result would be seen) or whether the difference is likely to have occurred by chance. Where references have been made to a relationship between variables, chi-squared tests have been undertaken. This test compares observed (actual) and expected (theoretical) values in order to establish whether there is a significant relationship between two variables being compared.

Please note that not every respondent answered every question, therefore the total number of respondents refers to the number of respondents for the question being discussed, not to the survey overall.

Value for money

Survey respondents were asked to ‘what extent do you agree or disagree that Maidstone Borough Council provides value for money’. There was a total of 985 responses.

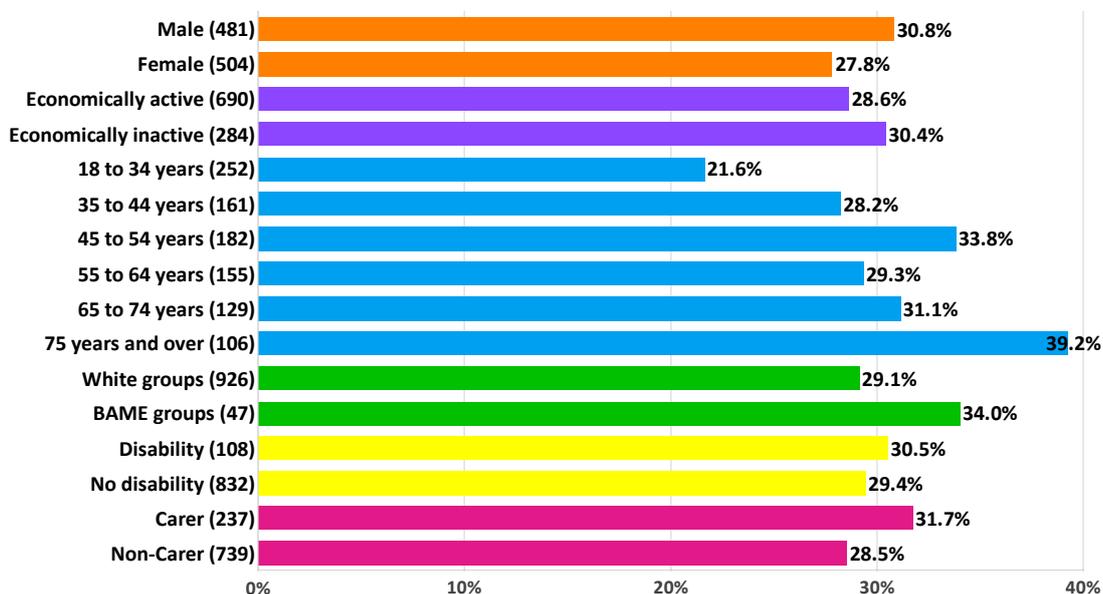


The most common response was ‘Neither agree nor disagree’ with 384 responding this way. 29.3% ($\pm 2.8\%$) of respondents agreed that Maidstone Borough Council provides value for money.

This question was previously asked in the 2019/20 Budget Survey and 33.2% of residents agreed with this question. In the 2018 Budget Survey 33.4% agreed and in the 2017 resident survey 30.2% of respondents agreed.

Since 2017 the proportion of people responding negatively to this question had declined from 28.6% in 2017 to 26.9% in 2019. The 2020 Budget Consultation is the first time in four years that the proportion responding negatively to this question has increased.

The chart below shows the proportions responding positively (Strongly agree and Agree combined).



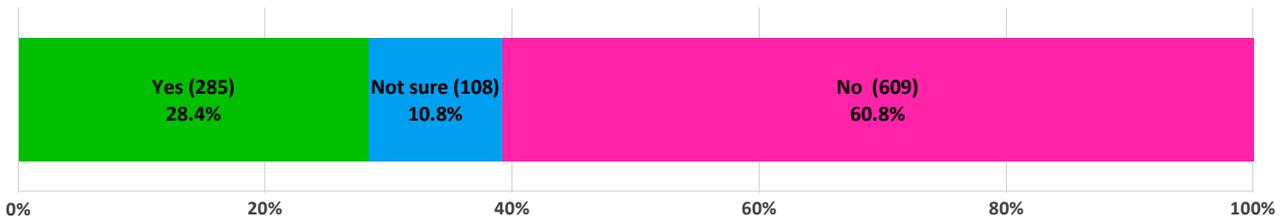
	<p>There were no significant differences in the proportions responding positively or negatively in terms of gender.</p>
	<p>Economically active respondents were more likely than economically inactive respondents to answer negatively with 34.4% ($\pm 3.5\%$) answering this way compared to 25.2% ($\pm 5.0\%$) of economically inactive respondents.</p>

	<p>While the proportions from these groups responding positively is comparable, economically inactive respondents had a significantly greater proportion responding neutrally.</p>
	<p>18 to 34 year olds had the greatest proportion responding negatively at 43.0% ($\pm 6.1\%$). This was significantly higher than the proportions responding this way for the age groups 44 years and over.</p> <p>The 75 years and over group had the greatest proportion responding positively at 39.2% ($\pm 9.3\%$). Almost half of this group responded negatively, the greatest proportion responding this way across all age groups.</p>
	<p>There were no significant differences in the response to this question in terms of ethnicity.</p>
	<p>There were no significant differences in the response to this question between respondents with a disability and those without a disability.</p>
	<p>A significantly greater proportion of non-carers answered this question neutrally with 40.8% ($\pm 3.5\%$) responding this way compared to 31.9% ($\pm 5.9\%$) of carers.</p>

Council Tax

Appetite for increase

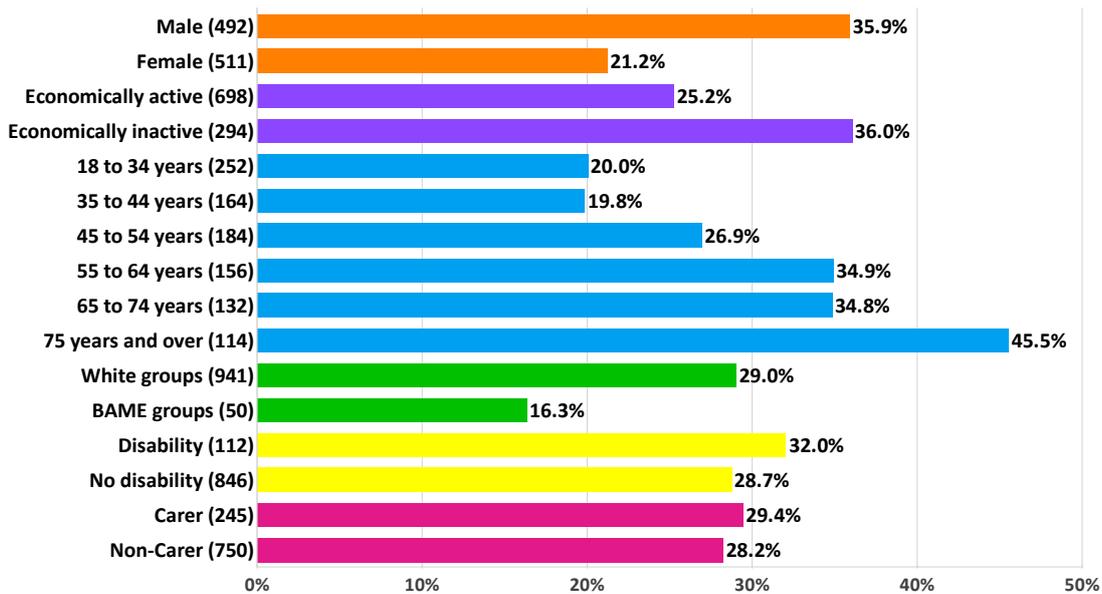
The survey asked respondents if they thought that Council Tax for 2021/22 should be increased to help close the budget gap. There were 1003 responses to this question.



The most common response was ‘No’ with 609 responding this way. 28.4% (±2.8%) of respondents said that Council Tax should increase to help close the budget gap.

This question was asked in the 2019 Budget Consultation (without the wording to ‘help close the budget gap’). Since then the proportion responding ‘Yes’ has increased (2019 Budget Survey 24.1%). While the proportion responding ‘No’ has remained consistent, the proportion responding ‘Not sure’ has declined from 16.1% in 2019 to 10.8% for 2020.

The chart below shows the proportion responding ‘Yes’ across the different demographic groups.

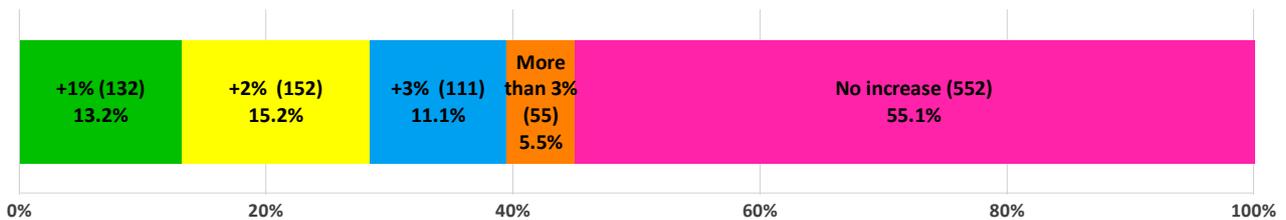


	<p>Male respondents had a significantly greater proportion answering ‘Yes’ at 35.9% (±4.2%) compared to female respondents where 21.2% (3.5% answered this way).</p> <p>Female respondents had a significantly greater proportion responding ‘Not sure’ with 15.1% (±3.1%) answering this way compared to 6.3% (±2.1%) of male respondents.</p>
	<p>There were significant differences between the proportions of economically active and economically inactive respondents answering both positively and negatively. 65.0% (±3.5%) of economically active respondents answered ‘No’ compared to 50.6% (±5.7%) of economically inactive respondents.</p>

	<p>Analysis shows that there is a significant linear relationship between this question and age. The proportions responding 'No' decreases with age and the proportion responding 'Yes' increases with age.</p>
	<p>There were no significant differences in how those from white groups and those from BAME groups responded to this question.</p>
	<p>There were no significant differences in how those with a disability and those without a disability responded to this question.</p>
	<p>There were no significant differences in how those who provide care (Carers) and those who do not provide care responded to this question.</p>

Acceptable levels for increase

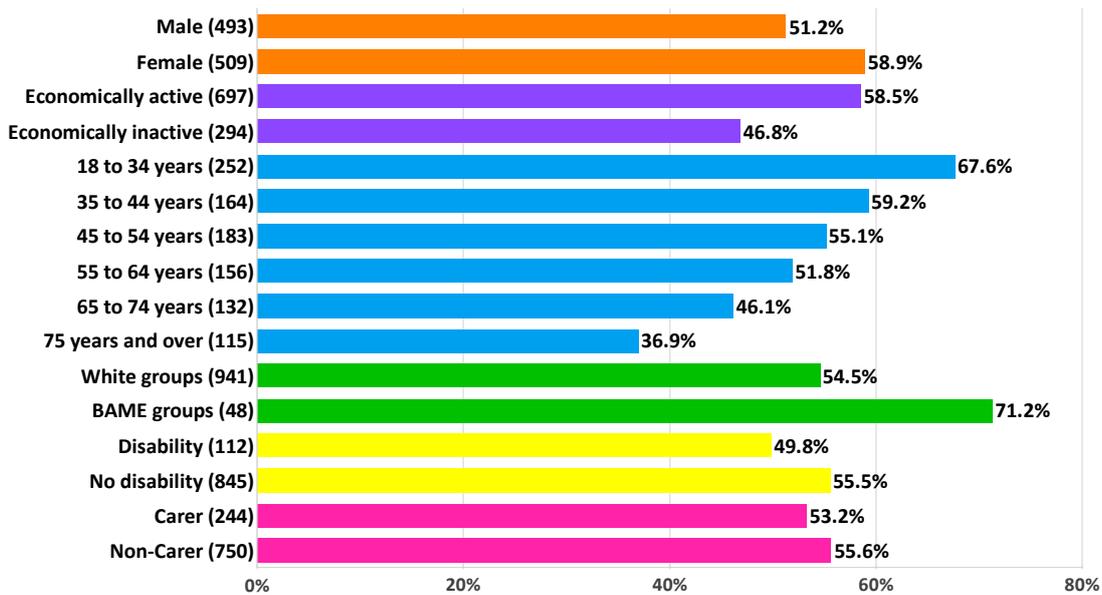
Survey respondents were asked to indicate how much more, if any, Council Tax they would be willing to pay to help close the budget gap. There were 1002 responses to this question.



The most common response was 'No increase' with 55.1% ($\pm 3.1\%$) answering this way. Overall, 44.9% ($\pm 3.1\%$) indicated that Council Tax should be raised to help the budget gap by selecting a percentage increase. This is significantly greater than the proportion responding 'Yes' to the previous more general question. In the survey this question was presented with the average increase per household, providing more details about how a proportion increase translates into money terms. This allowed for a more informed decision to be made and therefore accounts for the greater proportion of respondents amenable to an increase.

The proportion responding 'No increase' has increased by 7.6 percentage points since 2019 when this question was last asked as part of the 2019/20 Budget Survey, increasing from 47.5% to 55.1%.

The chart below shows the proportion responding ‘No increase’ across the different demographic groups.

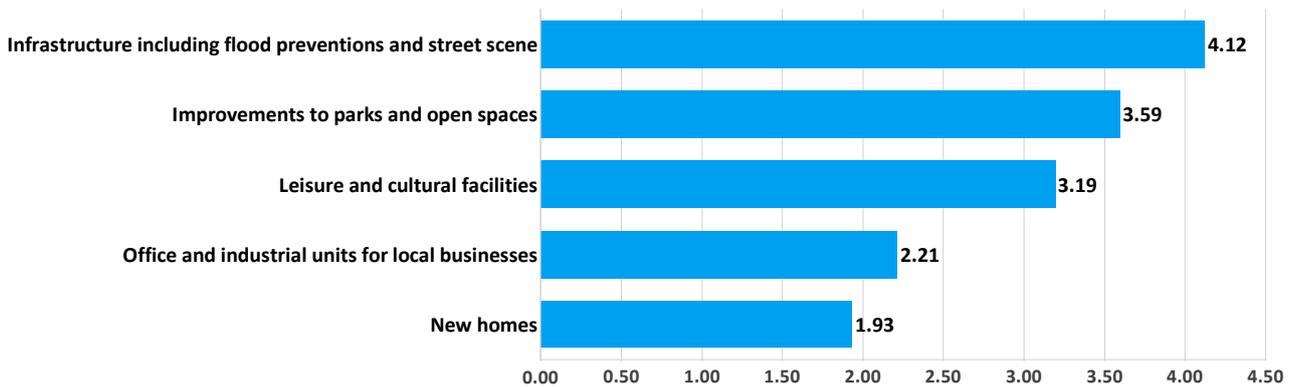


	<p>Female responders had a significantly lower proportion selecting an increase amount compared to male respondents.</p> <p>Where an increase was selected female respondents favoured a 1% increase with 81 answering this way. Male respondents favoured a 2% increase with 87 answering this way.</p>
	<p>Economically active respondents had a significantly greater proportion responding ‘No increase’ compared to economically inactive respondents.</p> <p>Where an increase was selected, both groups favoured a 2% increase with 96 economically active respondents and 55 economically inactive respondents answering this way.</p>
	<p>Analysis shows that there is a significant liner relationship between this question and age. The proportions responding ‘No increase’ decreases with age and the proportion selecting an increase amount, increases with age.</p>
	<p>Respondents from BAME groups had a significantly greater proportion responding ‘No increase’ than white group respondents.</p> <p>Where an increase was selected BAME respondents favoured a 3%+ increase with 6 answering this way and white group respondents favoured a 2% increase with 147 answering this way.</p>
	<p>There were no significant differences in how those with a disability and those without a disability responded to this question.</p>
	<p>There were no significant differences in how those who provide care (Carers) and those who do not provide care responded to this question.</p>

Investment Programme Priorities

Survey respondents were asked to place a list of investment programme priorities into their preferred order of importance. A total of 879 respondents ranked the investment priorities.

To assess this data, a weighted average has been used. The programmes placed first received five points and the programmes ranked last were given 1 point. These were then added together and divided by the number of respondents to give a weighted average.

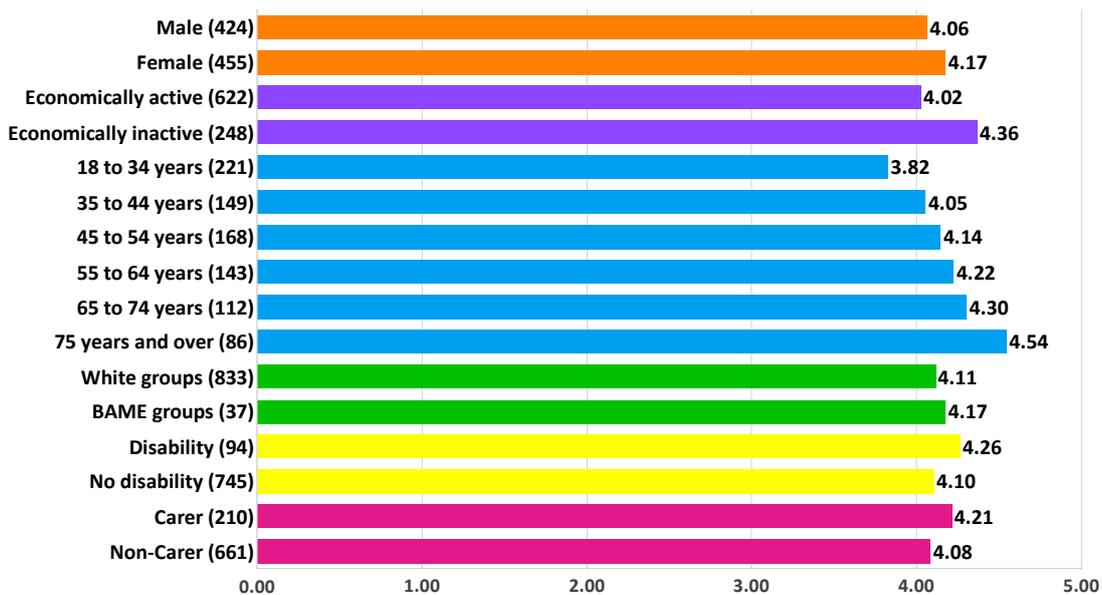


This question was asked in the 2019/20 Budget Survey, undertaken in Autumn 2019. The priorities were placed in the same order as above.

Infrastructure including flood preventions and street scene

Overall, 467 (53.2%) respondents placed ‘Infrastructure including flood preventions and street scene’ as their top investment priority. This is comparable to the 2019 Budget survey where 52.2% placed this priority as first.

The following chart shows the mean score across the demographic groups for the priority ‘Infrastructure including flood prevention and street scene’.

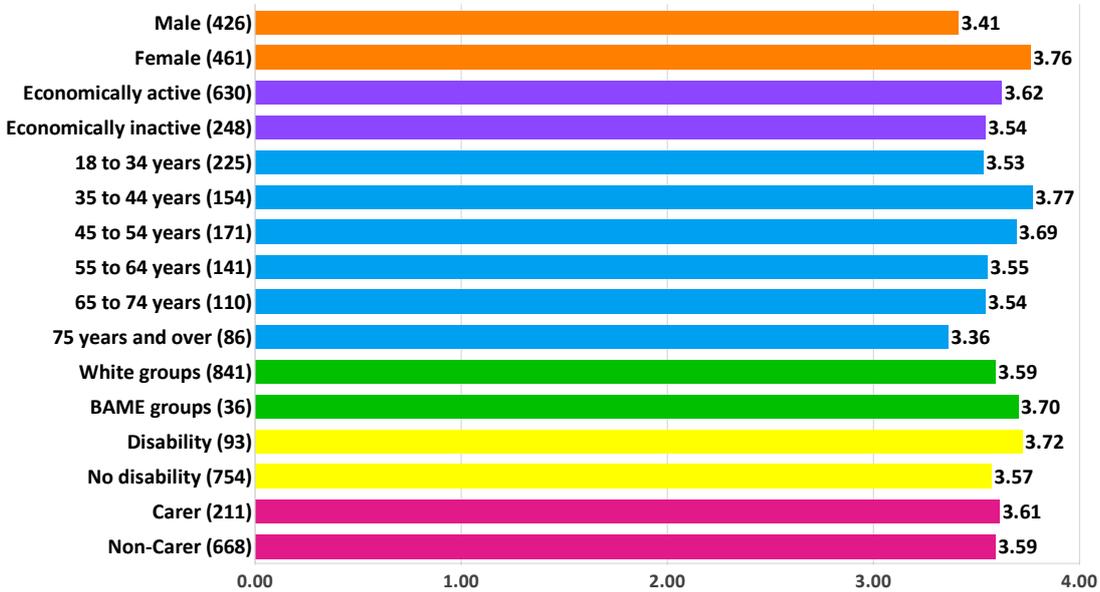


	<p>No significant difference in score between male and female respondents has been identified.</p>
	<p>The difference in score between economically active and economically inactive respondents is significant. 81.7% (± 4.8) of economically inactive respondents placed this priority as first or second compared to 67.0% (± 3.7) of economically active respondents answering the same.</p>
	<p>Analysis suggests a significant relationship between age and ranking of this priority with the proportion placing this priority first and second increasing with age. There were no respondents aged 75 years and over that ranked this priority last (fifth).</p>
	<p>No significant difference has been identified in score between respondents from BAME groups and respondents from white groups.</p>
	<p>No significant difference in score between respondents with a disability and respondents without a disability was identified.</p>
	<p>No significant difference in score between respondents that said they were carers and those who do not provide any care were identified.</p>

Improvements to parks & open spaces

Overall, 203 (22.9%) respondents placed ‘Improvements to parks and open spaces’ as their top investment priority.

The following chart shows the mean score across the demographic groups for the priority ‘improvements to parks and open spaces’.



	<p>The difference in score between male and female respondents was significant. 65.9% (±4.3%) of female respondents placed this priority as first or second compared to 53.8% (±4.7%) of male respondents answering the same.</p>
	<p>No significant difference in score between economically active and economically inactive respondents has been identified.</p>
	<p>The score for respondents aged 35 to 44 years is significantly greater than the score for respondents 75 years and over, showing this is a greater priority for respondents aged 35 to 44 years.</p>
	<p>No significant difference has been identified in score between respondents from BAME groups and respondents from white groups.</p>
	<p>No significant difference in score between respondents with a disability and respondents without a disability was identified.</p>
	<p>No significant difference in score between respondents that said they were carers and those who do not provide any care were identified.</p>

Fee and Charges

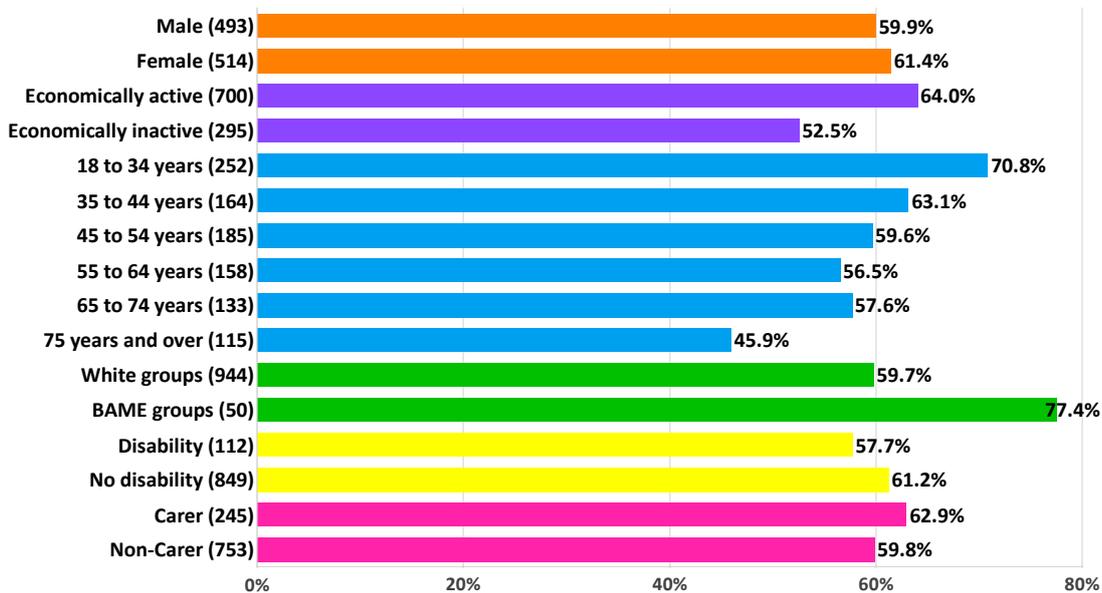
Increase Fees?

Survey respondents were asked if they thought that the Council should increase fees and charges. A total of 1006 answered this question.



Overall, 60.7% (±3.0%) responded ‘No’, this was the most common response.

The chart below shows the proportions responding ‘No’ across the different demographic groups.



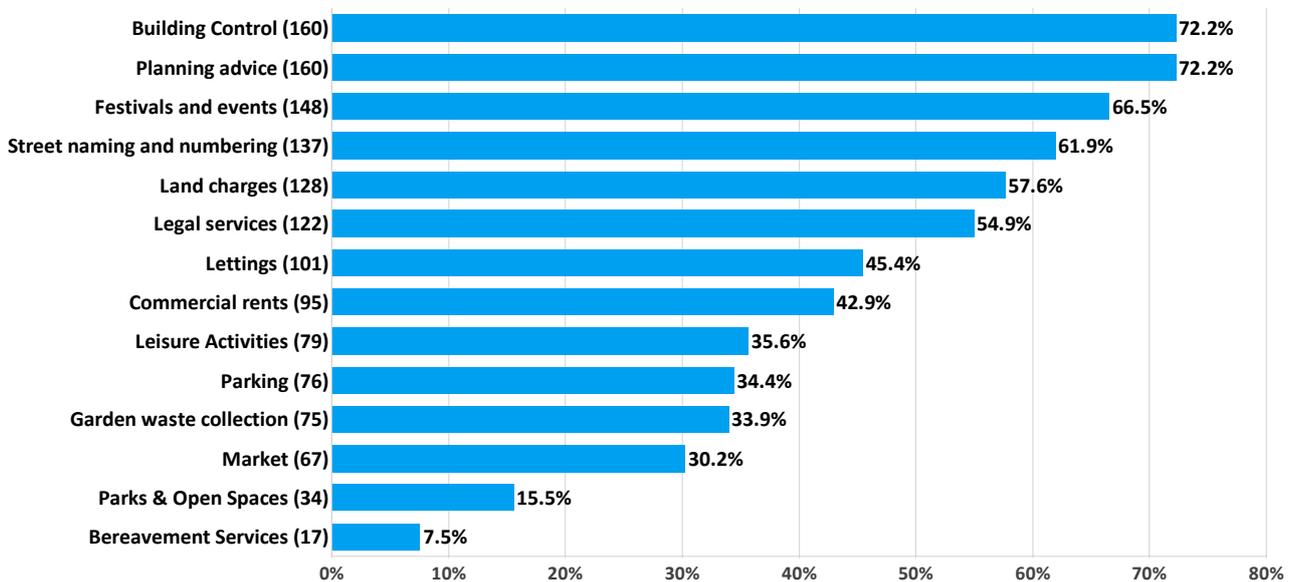
	<p>Although comparable levels of male and female respondents answered ‘No’, Male respondents had a significantly greater proportion responding ‘Yes’ with 26.6% (±3.9%) answering this way compared 17.9% (±3.3%) of female respondents answering the same.</p>
	<p>Economically active and economically inactive respondents had significant differences across all of the answer options. One in five economically active respondents answered ‘Yes’ compared to one in four economically inactive respondents.</p>
	<p>There were no significant differences across the age groups in the proportion of people responding, ‘Not sure’. The proportions who responded ‘Yes’ follows the same profile as the proportion responding ‘No’ but reversed with the 18 to 34 years group having the lowest proportion answering this way and the 75 years and over group having the greatest proportion responding this way.</p>

	<p>There were no significant differences in terms of ethnicity in the proportion of people responding, 'Not sure'. The proportions from BAME groups and white groups responding 'yes' and 'No' are significantly different from each other. Respondents from white groups were more in favour of increasing fees and charges than respondents from BAME groups.</p>
	<p>There were no significant differences in terms of disability in the proportion of people responding, 'No' and 'Not sure'. 30.5% (±8.5%) of respondents with a disability answered 'Yes' compared to 21.2% (±2.8%) of respondents without a disability – these differences are significant.</p>
	<p>There were no significant differences in the response to this question between respondents that are carers and those who were not carers.</p>

Areas for increased fees

Survey respondents that had answered 'Yes' when asked if the Council should increase fees and charges to help close the budget gap were asked to pick from a list of services that the Council currently charge for and which they think the Council should increase (respondents could tick as many or as few as they wished).

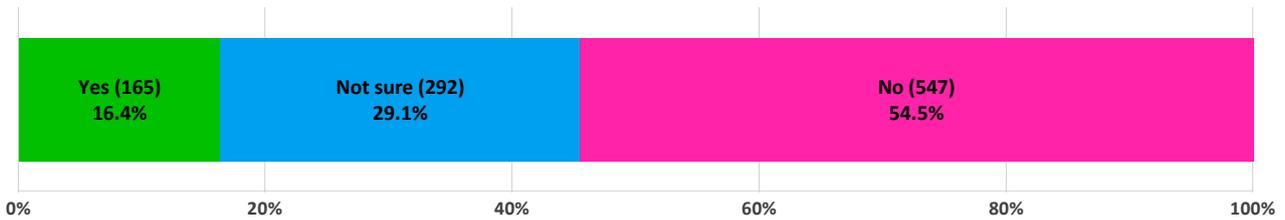
222 respondents answered this question (asked of 223 respondents) and gave a total of 1401 responses (an average of 6.3 options selected per respondent).



Please note - Demographics cannot be assessed for significant differences due to small sample sizes.

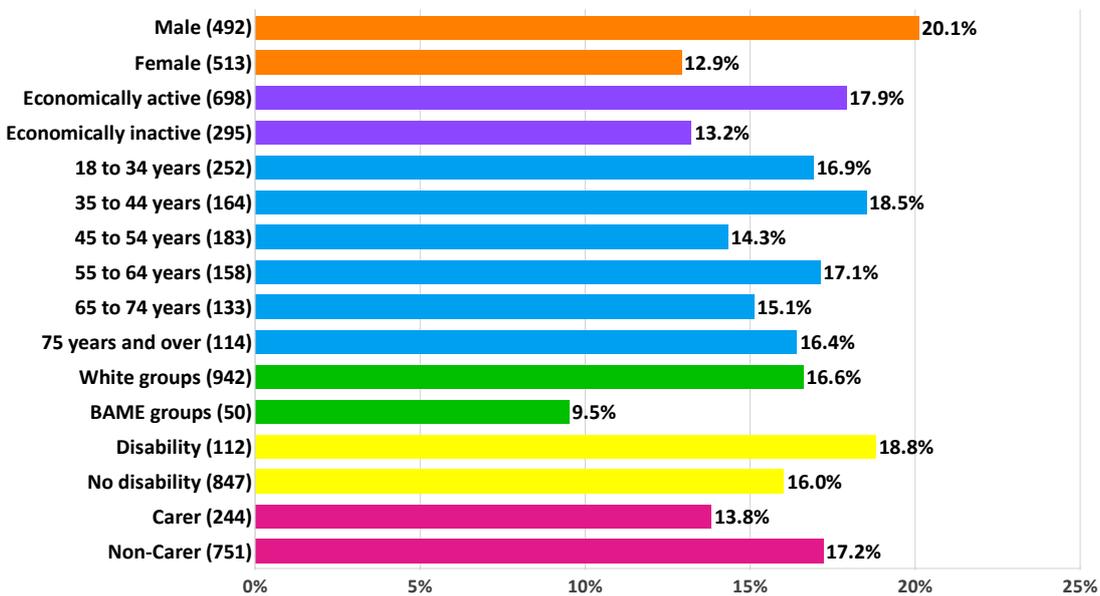
Introduction of new charges

Survey respondents were asked if they thought that the Council should introduce charges for services that it did not currently charge for. There were 1004 responses to this question.



The most common response was ‘No’ with 547 answering this way. Overall, just over half of all respondents were against the introduction of a fee or charges for services not currently charged for.

The chart below shows the proportion responding ‘yes’ across the different demographic groups.



	<p>The proportions responding ‘yes’ for male and female respondents were significantly different. With a greater proportion of male respondents open to idea of introducing charges/fees for services that do not currently incur a charge or fee.</p>
	<p>There were no significant differences in the response to this question between economically active and economically inactive respondents.</p>
	<p>There were no significant differences in the response to this question across the age groups.</p>
	<p>Respondents from BAME groups had a significantly greater proportion responding ‘No’ with 68.3% (±13.0%) compared to 53.7% (±3.2%) of respondents answering the same from white groups.</p>

	There were no significant differences in the response to this question between respondents with a disability and those without a disability.
	There were no significant differences in the response to this question between carer and non-carer respondents.

Important Services

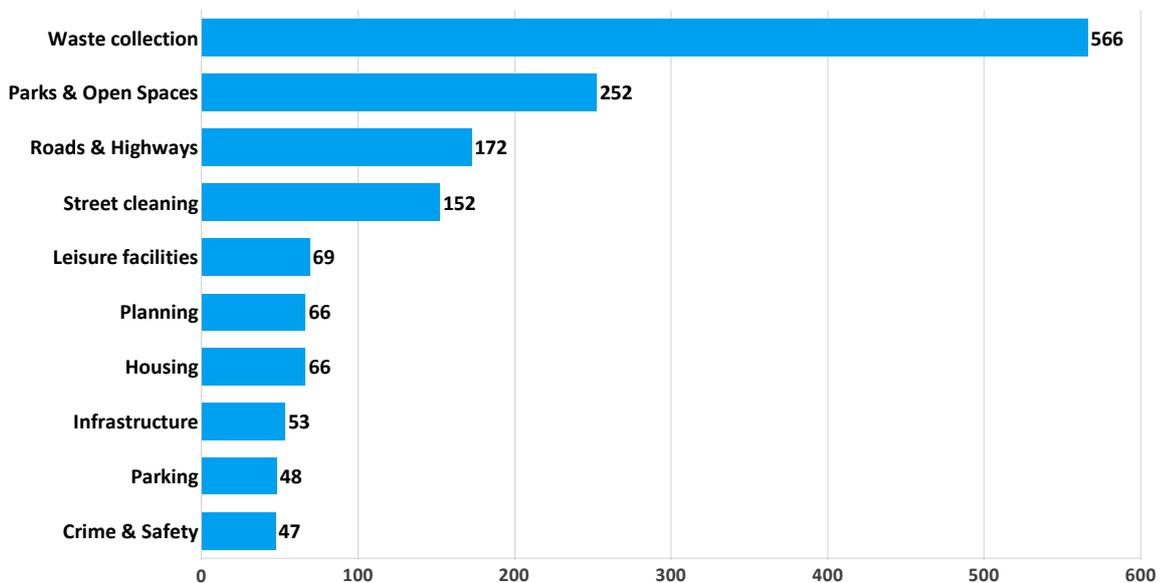
Survey respondents were asked what three services were most important to them and provided with three open text boxes to provide a response. The answers have been cleansed so that counts can be obtained (e.g. refuse to waste collection, leisure, and leisure centre to leisure facilities).

A total of 851 respondents answered this question. Please note that not all respondents that answered this question gave three services.

The word cloud below shows the top 71 responses where two or more respondents have said the same thing.



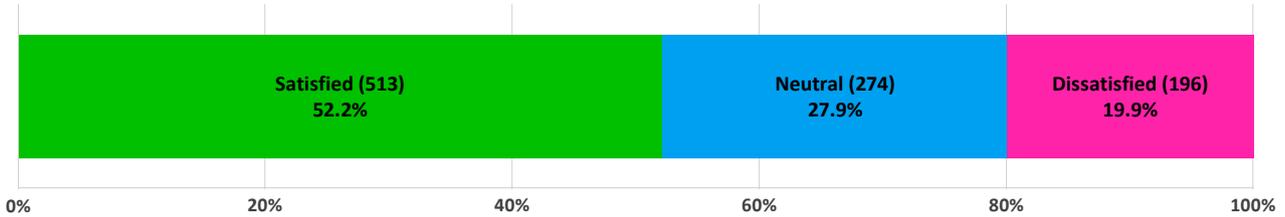
The top ten services mentioned are shown in the chart below.



Living in Maidstone

Satisfaction with local area as a place to live

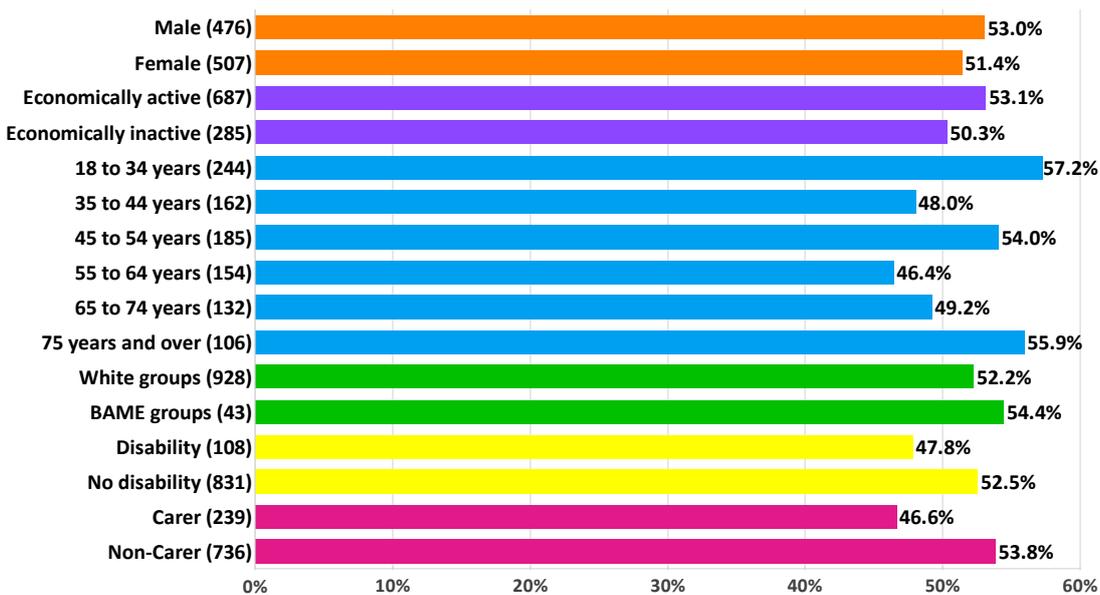
Survey respondents were asked ‘How satisfied or dissatisfied are you with your local area as a place to live?’ and given a five-point scale from Very satisfied to Very dissatisfied. There was a total of 983 respondents.



The most common response was ‘fairly satisfied’ with 428 answering this way. Overall, just over half of respondents said they ‘satisfied’ with their local area as a place to live.

This question was last asked in the 2019 Budget survey. Compared to the 2019 survey the proportion ‘Satisfied’ has remained consistent with 53.1% responding satisfied in 2019. However, the proportion responding ‘Dissatisfied’ has reduced from 28.9% in 2019 to 19.9% for 2020.

The chart below shows the proportion responding ‘Satisfied’ across the demographic groups.

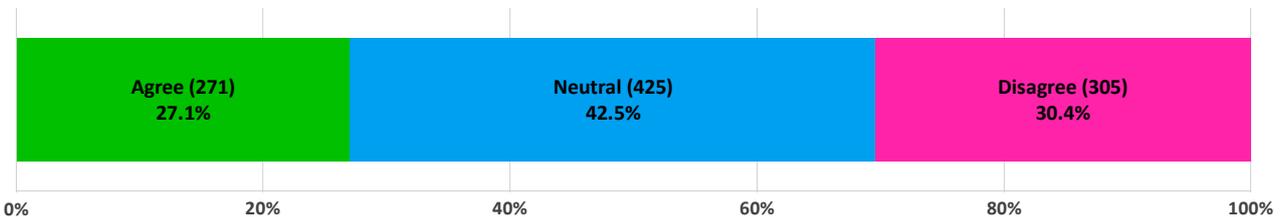


	<p>There were no significant differences in the response to this question between male and female respondents.</p>
	<p>There were no significant differences in the response to this question between economically active and economically inactive respondents.</p>

	<p>The proportions responding positively from the 18 to 34 years group and the 55 to 64 years group are significantly different from each other. The 55 to 64 years group had the greatest proportion responding negatively at 25.2% ($\pm 6.9\%$) – this is significantly greater than the proportion responding the same from the 75 years and over group where 14.7% ($\pm 6.7\%$) responded negatively.</p>
	<p>There were no significant differences in the proportions responding in terms of ethnicity.</p>
	<p>There were no significant differences in the proportions responding between respondents with a disability and those without a disability.</p>
	<p>Respondents that are carers had a significantly greater proportion responding negatively with 26.9% ($\pm 5.6\%$) answering this way compared to 17.9% ($\pm 2.8\%$) of non-carers answering the same.</p>

Potential realised

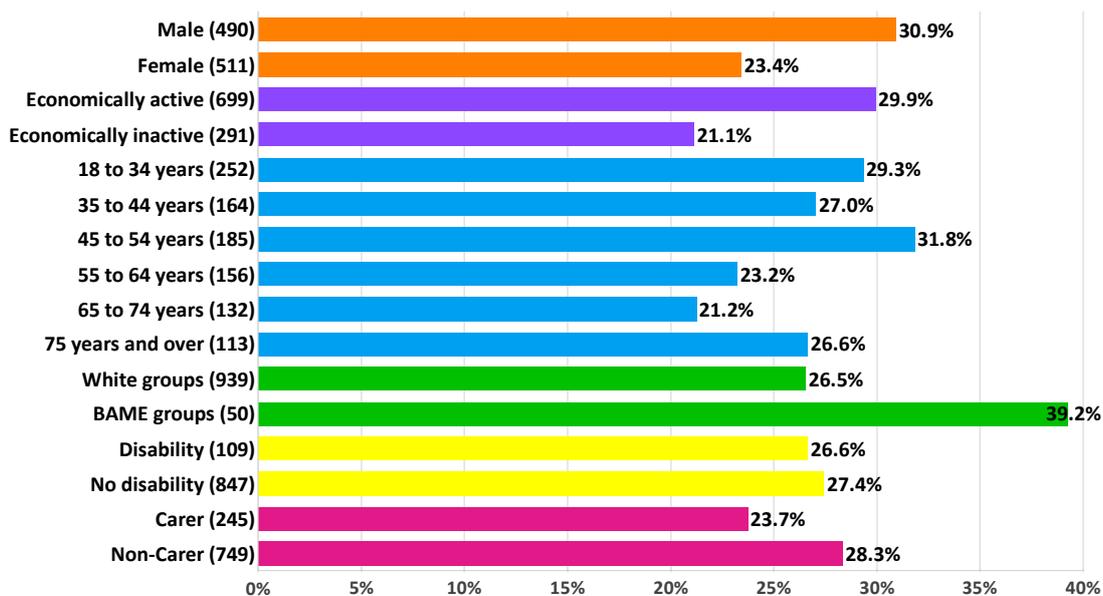
The survey asked respondents 'To what extent do you agree or disagree that Maidstone is a place where everyone can realise their potential?'. A total of 1001 people responded to this question.



Overall, 27.1% ($\pm 2.8\%$) of respondents said they agreed that Maidstone was a place where everyone can realise their potential. The most common response was 'Neither agree nor disagree' with 42.5% ($\pm 3.1\%$) responding this way.

The proportion responding 'Agree' has improved since 2019 when this question was asked for the first time in the 2019 Budget survey. In 2019, 21.9% of respondents agreed and 35.5% disagreed that Maidstone was a place where everyone can realise their potential.

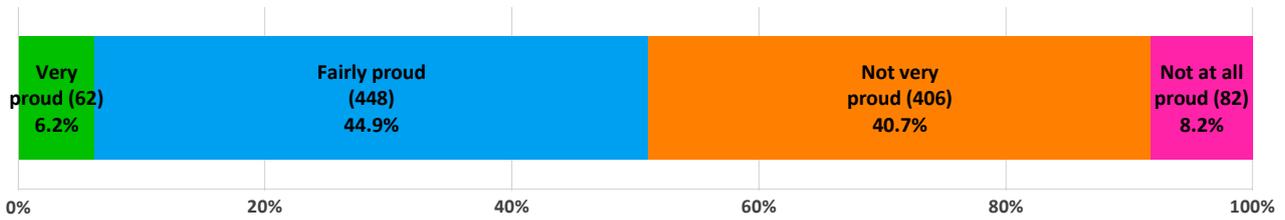
The following chart shows the proportion responding 'Agree' across the different demographic groups.



	<p>While comparable proportion of male and female respondents responded neutrally to this question, the difference in the proportion responding both negatively and positively are significant. Female respondents were more likely to disagree with this statement compared to male respondents.</p>
	<p>More than half of economically inactive respondents responded neutrally, significantly greater than the proportion responding the same, who are economically active. Economically active respondents had significantly greater proportions answering both positively and negatively (more than three quarters of the respondents in the economically inactive group told us they were currently 'wholly retired from work').</p>
	<p>The 18 to 34 years and the 35 to 44 years had the greatest proportions responding negatively at 38.4% ($\pm 6.0\%$) and 38.8% ($\pm 7.5\%$) respectively and the lowest proportions responding neutrally. The 75 years and over had the lowest proportion responding negatively and the greatest proportion responding neutrally.</p>
	<p>The difference in the proportion answering positively between BAME groups and white groups is significant. 31.1% ($\pm 3.0\%$) of white group respondents answered negatively compared to 16.4% ($\pm 10.4\%$) of BAME respondents answering the same.</p>
	<p>There were no significant differences in the response to this question between respondents with a disability and those without a disability.</p>
	<p>Although there were no significant differences in the proportion responding positively and neutrally between carers and non-carers, carers had a significantly greater proportion responding negatively with 36.9% ($\pm 6.0\%$) answering this way compared to 28.7% ($\pm 3.2\%$) of non-carers.</p>

Pride in Maidstone Borough

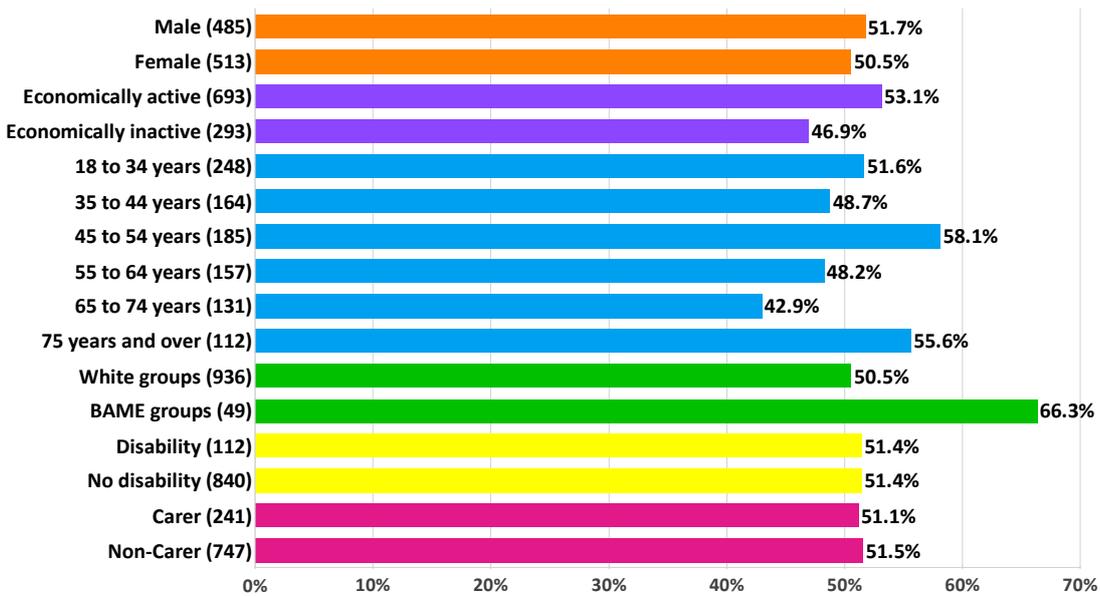
The survey asked respondents 'How proud are you of Maidstone Borough?', a total of 997 responded to this question.



Overall, 51.1% (±3.1%) said they were either 'Very proud' or 'Fairly proud' of Maidstone Borough. The most common response was 'Fairly proud' with 448 answering this way.

The proportion responding positively (very proud and fairly proud combined) has improved since 2019 when this question was asked for the first time in the 2019 Budget survey. In 2019, 39.7% of respondents were positive when answering this question and 60.3% responded negatively. In 2019 'Not very proud' was the most common response.

The chart below shows the proportion responding positively across the different demographic groups.



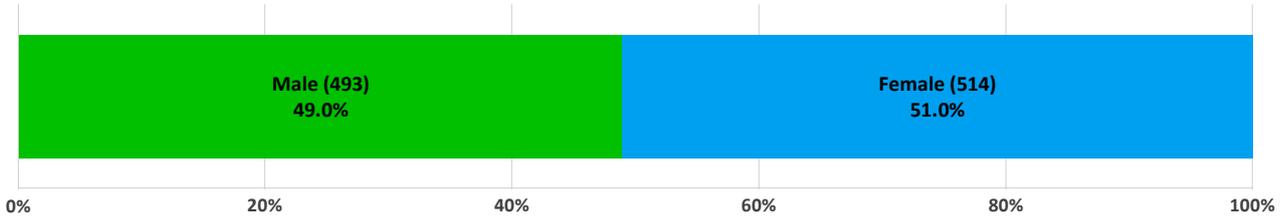
	<p>There were no significant differences in the response to this question between male and female respondents.</p>
	<p>There were no significant differences in the response to this question between economically active and economically inactive respondents.</p>
	<p>Respondents in the 65 to 74 years group had the lowest proportion responding negatively. This result is significant when compared to the proportions responding the same from the 35 to 44 years group and the 75 years and over group.</p>

	<p>The difference in the proportion answering positively between BAME groups and white groups is significant. 49.5% ($\pm 3.2\%$) of white group respondents answered negatively compared to 33.7% ($\pm 12.2\%$) of BAME respondents answering the same.</p>
	<p>There were no significant differences in the response to this question between respondents with a disability and those without a disability.</p>
	<p>There were no significant differences in the response to this question between carer respondents and non-carer respondents.</p>

Demographics

Gender

The proportions for male and female respondents aligns with that in the local population¹ (survey weighting is based on this variable).



Economic Activity

The economically active were slightly under-represented in the respondent profile accounting for 72.9%. The economically inactive are slightly over-represented with 27.1% in the local population².



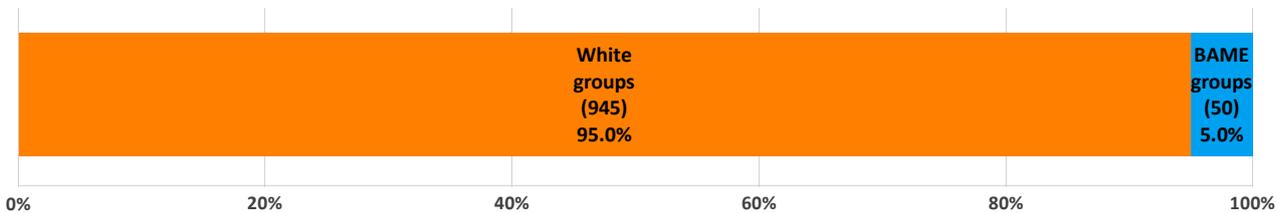
Age

The proportions of respondents in each age group aligns with that in the local population³ (survey weighting is based on this variable).



Ethnicity

BAME respondents were marginally underrepresented in the respondent profile accounting for 5.9% in the local population⁴.



¹ ONS Mid- year population estimates 2019

² 2011 UK Census

³ ONS Mid- year population estimates 2019

⁴ 2011 UK Census

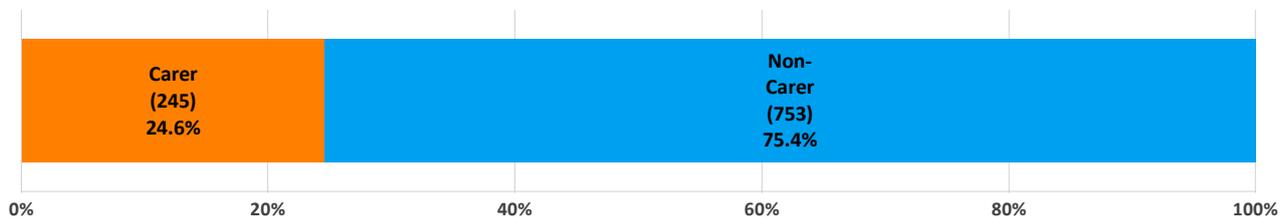
Disability

Respondents with a disability were slightly under-represented in the respondent profile accounting for 15.2% of the local population⁵.



Carers

There are no national statistic on the numbers of carers (both paid and unpaid) however, 10.2% of all residents provide unpaid care⁶, with a further 2,842 claiming carers allowance, therefore it is likely that carers are over-represented in the respondent profile.



⁵ UK Census 2011

⁶ Census 2011

Agenda Item 17

Communities, Housing & Environment Committee

1 December 2020

Fees & Charges 2021-22

Final Decision-Maker	Communities, Housing & Environment Committee
Lead Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report sets out the proposed fees and charges for 2021/22 for the services within the remit of this committee. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process. Changes to fees and charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated in the report.

Purpose of Report

The committee is requested to agree the proposed charges for 2021-22, for the areas in which these can be set at the council's discretion (discretionary fees and charges).

The committee is also invited to note the expected charges which are determined externally (e.g. by statute), which have been included in Appendix 1 for information (statutory fees and charges).

This report makes the following recommendations to this Committee:

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.
2. That the expected statutory fees and charges set out in Appendix 1 to this report are noted.

Timetable

Meeting	Date
Communities, Housing and Environment Committee	1 December 2020
Policy & Resources Committee	20 January 2021

Fees & Charges 2021-22

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none"> We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the Council’s policy on charging has been developed to support corporate priorities as set out in the strategic plan and the proposals within the report have been made with reference to this. 	Ellie Dunnet, Head of Finance
Cross Cutting Objectives	<ul style="list-style-type: none"> The report recommendations support the achievement of the cross cutting objectives by ensuring that costs of service delivery are recovered where possible, which enables services which support these objectives to be sustained. 	Ellie Dunnet, Head of Finance
Risk Management	<ul style="list-style-type: none"> This is covered within section 5 of the report. 	Ellie Dunnet, Head of Finance
Financial	<ul style="list-style-type: none"> Financial implications are set out in the body of the report. If agreed, this income will be incorporated into the Council’s medium term financial strategy for 2020-21 onwards. 	Ellie Dunnet, Head of Finance
Staffing	<ul style="list-style-type: none"> The recommendations do not have any staffing implications. 	Ellie Dunnet, Head of Finance
Legal	<ul style="list-style-type: none"> Acting on the recommendations is within the Council’s powers as set out within the Local Government Act 2003 and the Localism Act 2011. <p>Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the recipient agrees to take it up on those terms.</p>	Principal Solicitor (Corporate Governance)

	<p>The authority has a duty to ensure that taking one financial year with another, income does not exceed the costs of providing the service. A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used to ensure that the cost of service is clearly related to the charge made. In other cases, the fee is set by statute and the Council must charge the statutory fee. In both cases the proposals in this report meet the Council’s legal obligations. Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges.</p>	
Privacy and Data Protection	<ul style="list-style-type: none"> The recommendations do not have any privacy or data protection implications. 	Policy and Information Team
Equalities	<ul style="list-style-type: none"> The recommendations do not propose a change in service therefore will not require an equalities impact assessment. 	[Policy & Information Manager]
Public Health	<ul style="list-style-type: none"> The recommendations do not have any public health implications. 	[Public Health Officer]
Crime and Disorder	<ul style="list-style-type: none"> The recommendations do not have any public health implications. 	[Head of Service or Manager]
Procurement	<ul style="list-style-type: none"> The recommendations do not have any procurement implications. 	[Head of Service & Section 151 Officer]

2. INTRODUCTION AND BACKGROUND

2.1 The council is able to recover the costs of providing certain services through making a charge to service users. For some services, this is a requirement and charges are set out in statute, and in other areas the council has discretion to determine whether charging is appropriate, and the level at which charges are set.

- 2.2 In recent years, the use of charging has become an increasingly important feature of the council's medium term financial strategy, as pressures on the revenue budget limit the extent to which subsidisation of discretionary services is feasible. Recovering the costs of these services from users where possible helps to ensure sustainability of the council's offer to residents and businesses, beyond the statutory minimum.
- 2.3 A charging policy (attached at Appendix 2 for reference) is in place for charges which are set at the council's discretion and this seeks to ensure that:
- a) Fees and charges are reviewed regularly, and that this review covers existing charges as well services for which there is potential to charge in the future.
 - b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
 - c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
 - d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.
- 2.4 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. planning application fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report for information.
- 2.5 Managers are asked to consider the following factors when reviewing fees and charges:
- a) The council's strategic plan and values, and how charge supports these;
 - b) The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service;
 - c) The actual or potential impact of competition in terms of price or quality;
 - d) Trends in user demand including an estimate of the effect of price changes on customers;
 - e) Customer survey results;
 - f) Impact on users, both directly and on delivering the council's objectives;

- g) Financial constraints including inflationary pressure and service budgets;
- h) The implications of developments such as investment made in a service;
- i) The corporate impact on other service areas of council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

Discretionary Charges for 2021-22

- 2.6 It is important that charges are reviewed on a regular basis to ensure that they remain appropriate and keep pace with the costs associated with service delivery as they increase over time.
- 2.7 Charges for services which fall within the remit of this committee have been reviewed by budget managers in line with the policy, as part of the development of the medium term financial strategy for 2021/22 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the committee is sought to the amended fees and charges for 2021/22 as set out in that appendix.
- 2.8 Table 1 below summarises the 2019/20 outturn and 2020/21 estimate for income from the discretionary fees and charges which fall within the remit of this committee. Please note that the table only reflects changes relating to fees and charges and does not include other budget proposals which may impact these service areas.
- 2.9 The overall increase in income if these changes are agreed and implemented as planned is expected to be £206,930 which amounts to a 7.26% increase in the overall budgeted income figure for this committee for the current financial year. This information excludes fees for licensing, which will be reported to the Licensing Committee for approval.

Discretionary Fees and Charges

Service Area	2019-20 Actual £	2020-21 Estimate £	Proposed increase in income £	2021-22 Estimate £
Parks and Open Spaces	6,471	17,510	0	17,510
Parks and Open Spaces-Leisure	20,677	42,530	0	42,530
Cemetery and Crematorium	1,468,079	1,455,740	17,830	1,473,570
Environmental Health	5,250	4,020	380	4,400
Waste Crime & Community Protection	-2,423	3,900	0	3,900
Recycling & Refuse Collection	1,212,761	1,250,380	149,000	1,399,380

HMO Licensing	22,663	20,380	19,940	40,320
Gypsy & Traveller Sites	60,191	70,340	19,780	90,120
Total income from fees set by the Council	2,793,668	2,864,800	206,930	3,071,730

Table 1: Discretionary Fees & Charges Summary (CHE)

2.10 Detailed proposals are set out within Appendix 1 to this report, and considerations relating to these proposals have been summarised below.

Parks and Open Spaces – Charges for sporting activities were restructured during 2020 in order to facilitate fair access for participants of all ages. This income stream had been steadily increasing from a very low base prior to the Covid 19 pandemic. Although income generation was adversely affected by lockdown at the start of this financial year, in recent months, a marked increase in take up for football and rugby pitch bookings has been observed. It is proposed that prices are retained at the current level for 2021-22. Keeping the charges at this level will assist the service in continuing to rebuild this income stream and will support residents of all ages to participate in sporting activities.

Parks & Open Spaces – Leisure Activities – No changes are proposed to the existing charges in this area. For commercial opportunities, pressures on the events industry in the current climate mean that increasing charges is not considered to be a sustainable option at this point in time.

Cemetery and Crematorium – A number of changes are proposed to the charges in this area. These proposals have been made with reference to current demand for products and services and are considered to be in line with charges made by local competitors. Charges for graves to non-residents have been increased to in order to limit demand from outside the area and conserve availability for local residents. Other price increases at the cemetery are considered to bring charges to an approximate mid-point when compared to similar charges elsewhere.

Environmental Health – Minor inflationary changes have been proposed to some of the charges for services in this area. It is recommended that income budgets for training courses for which take up has been historically low, or which are unlikely to run due to Covid 19 are removed. It is anticipated that income levels for this service will be sustained in spite of this.

Waste Crime and Community Protection – Moderate inflationary increases are proposed for pest control charges. However, it is not anticipated that this will give rise to an overall increase in income levels.

Recycling and Refuse Collection –

Bulky collection – A proposed increase of £1 per category is proposed for bulky collections. This is considered reasonable since charges in this area

have not been increased since 2018-19. The change is expected to generate additional income of £4,000 per year.

Garden waste service – It is proposed that charges for the garden bin collection service be increased to £45 from £40 for a 240l bin and to £40.50 from £36 for a 140l bin. This will bring charges into line with the average for Kent. See details below of charges levied by other districts.

Borough	Annual Cost (240 litre)	Comments
Ashford	£37	Due to increase to £40 in 2021/22
Canterbury	£45	Only 10 months per year
Dartford	£42.50	Plus £44.50 one off payment in first year to cover cost of bin
Dover	£46	
Folkestone & Hythe	£48	
Gravesham	£48	
Maidstone	£40	
Sevenoaks	£47	
Swale	£37	Expected to increase in 2021/22
Thanet	£52	
Tonbridge & Malling	£40	
Tunbridge Wells	£52	

It also reflects the strategy endorsed by Policy and Resources committee at its meeting on 21 July 2020, to consider income generation opportunities in seeking to close the budget gap. It is preferable to close the budget gap in this way, rather than to cut services. It is estimated that this change will generate additional income of £145,000 per year.

Trade waste - It is proposed that charges for trade waste are maintained at their current level for 2021/22, given the significant impact which Covid 19 has had on business customers and the need for the service to remain competitive.

The combined impact of the proposed budget changes in this area is expected to increase the council's annual income by £149,000.

HMO Licensing – Increases have been proposed to initial and renewal licence fees for landlord accreditation. It is estimated that the increased fees, if agreed will generate additional income of £19,940 during 2021-22. This estimate is based on 63 HMO renewals during 2021-22.

Gypsy and Traveller Sites – Increases to the weekly plot fees for Gypsy and traveller sites at Marden and Ulcombe have been proposed with reference to RPI inflation of 1.6% (12 months to July 2020). The proposed increases are in line with the Mobile Homes Act 1983 formula and are expected to generate additional income of £19,780 if agreed.

Statutory Fees and Charges

2.11 Table 2 below summarises the income due from fees which are set by the government. No changes are anticipated to these charges which are set centrally by government departments.

Service Area	2019-20 Actual £	2020-21 Estimate £	Proposed increase in income £	2021-22 Estimate £
Waste Crime & Community Protection	38,528	43,700	0	43,700
Environmental Health	16,324	14,000	0	14,000
Statutory fees & charges (included for information)	54,852	57,700	0	57,700

Table 2: Statutory Fees & Charges Summary (CHE)

3. AVAILABLE OPTIONS

3.1 Option 1

The committee could approve the recommendations as set out in the report, adopting the fees and charges as proposed in Appendix 1. As these proposals have been developed in line with the council's policy on fees and charges, they will create a manageable impact on service delivery whilst maximising income levels.

3.2 Option 2

The committee could propose alternative charges to those set out within Appendix 1. Any alternative increases may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2021-22. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

3.3 Option 3

The committee could choose to do nothing and retain charges at their current levels. However, this might limit the Council's ability to recover the cost of delivering discretionary services and could result in the Council being unable to set a balanced budget for 2021-22.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Option 1 as set out above is recommended as the proposed fees and charges shown within Appendix 1 have been developed by budget managers in line with the Council's Charging Policy. The proposed charges are considered appropriate and are expected to create a manageable impact on service delivery whilst maximising cost recovery. Changes to fees and

charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated.

5. RISK

5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Current and Proposed Fees & Charges – CHE Committee
 - Appendix 2: Charging Policy
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7. BACKGROUND PAPERS

None

Fees and Charges April 2020 - March 2021	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals £	2020-2021 Current Estimate £	Current Charges 2020-2021 £	Proposed Charges 2021-2022 £	% Change	2020-2021 + / - Income £	2021 - 2022 Estimate £	Comments
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Parks and Open Spaces

Football											
Seniors - single let (hirer to erect nets)	*	x		6,448	15,900	48.00	48.00	0%		15,900	
Seniors - 10 or more lets (hirer to erect nets)	exempt	x				40.00	40.00	0%			
Juniors - 11 v 11 pitch single let (hirer to erect nets) for U13 and U14 with junior goals	*					26.00	26.00	0%			
Juniors - 11 v 11 pitch 10 or more lets (hirer to erect nets) for U13 and U14 with junior goals	exempt					21.66	21.66	0%			
Juniors - 11 v 11 pitch single let (hirer to erect nets) for U15, U16 and U18 with adult goals	*					32.00	32.00	0%			
Juniors - 11 v 11 pitch 10 or more lets (hirer to erect nets) for U15, U16 and U18 with adult goals	exempt					26.66	26.66	0%			
Juniors - 9 v 9 pitch single let (hirer to erect nets)	*					20.00	20.00	0%			
Juniors - 9 v 9 pitch 10 or more lets (hirer to erect nets)	exempt					16.66	16.66	0%			
Juniors - 7 v 7 pitch single let (hirer to erect nets)	*					14.00	14.00	0%			
Juniors - 7 v 7 pitch 10 or more lets (hirer to erect nets)	exempt					11.66	11.66	0%			
Juniors - 5 v 5 pitch single let (hirer to erect nets)	*					14.00	14.00	0%			
Juniors - 5 v 5 pitch 10 or more lets (hirer to erect nets)	exempt					11.66	11.66	0%			
Use of five-a-side football nets - per set	*					21.00	21.00	0%			
Juniors - hire of an adult pitch (hirer to erect nets)	*					38.40	38.40	0%			
Juniors - 10 or more hires of an adult pitch (hirer to erect nets)	exempt					32.00	32.00	0%			
Rugby											
Seniors - single let	*	x		23	1,610	63.50	63.50	0%		1,610	
Seniors - 10 or more lets	exempt	x				53.00	53.00	0%			
Juniors - single let	*	x				32.00	32.00	0%			
Juniors - 10 or more lets	exempt	x				26.50	26.50	0%			
				6,471	17,510				0	17,510	

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate £	Current Charges 2020-2021 £	Proposed Charges 2021-2022 £	% Change	2020-2021 + / - Income £	2021 - 2022 Estimate £	Comments
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Parks and Open Spaces-Leisure Activities

Tennis - per court per hour										
Adult - single hire	*	x		0	8.40	8.40	0.00%		0	Tennis fees are not collected as the cost to collect them was more than the income.
Adult -10 or more hires	exempt	x			7.00	7.00	0.00%			
OAP/Junior - single hire	*	x			4.60	4.60	0.00%			
OAP/Junior - 10 or more hires	exempt	x			3.80	3.80	0.00%			
Bowls - Season - Adult										
- OAP/Junior	*	x	735	1,220	80.00	80.00	0%		1,220	
- per Green - Adult	*	x			40.00	40.00	0%			
- OAP/Junior	*	x			6.00	6.00	0%			
-Match fees	*	x			3.00	3.00	0%			
Use of Woods - per hour/match - Adult	*	x			4.80	4.80	0%			
- OAP/Junior	*	x			3.50	3.50	0%			
- per match - Adult	*	x			2.30	2.30	0%			
- OAP/Junior	*	x			3.50	3.50	0%			
- OAP/Junior	*	x			2.30	2.30	0%			
Rounders - Weekends	*	x			53.50	53.50	0%			
- Evenings 5 - 9.30pm	*	x			41.50	41.50	0%			
Use of Changing Rooms and Showers										
	*	x			20.00	20.00	0%			
Events										
Fairs and circuses - per day (min. charge)	exempt	x	3,780	21,330	620.00	620.00	0%		21,330	no booking - no longer a viable income stream
Big top show - per evening (min. charge)	exempt	x			430.00	430.00	0%			no booking - no longer a viable income stream
Hire of Parks										
Fitness Classes (10-70 participants) - per session (min charge)		x	3,620	5,200	18.50	18.50	0%		5,200	no change - already more expensive than other venues
All Events (Commercial Opportunities)										
Disruption fee for all events (min charge) per day G715			12,542	14,780					14,780	
- up to 100 participants	exempt	x			50.00	50.00	0%			No change to any fees for events as industry not able to take increase. Better to increase every 2-3 years
100 to 499 participants	exempt	x			95.00	95.00	0%			
500 - 899 participants	exempt	x			420.00	420.00	0%			
901+ by negotiation	exempt	x								
Booking and hire fee (min charge) per day										
Commercial and charity ticketed events - Mote Park		x			300.00	300.00	0%		0	
Free events - Mote Park		x			65.00	65.00	0%			
Additional hire fee for event parking per day (Mote Park only)		x			300.00	300.00	0%			
Commercial and charity ticketed events - All other Parks		x			150.00	150.00	0%			
Free events - All other Parks		x			60.00	60.00	0%			

Fees and Charges April 2020 - March 2021	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021 - 2022 Estimate	Comments
				£	£	£	£			£	£

Parks and Open Spaces-Leisure Activities (contd.)

Fees per head all events (min charge)											
Commercial (ticketed) Concerts			x			0.45	0.45	0%			
Commercial (ticketed) Walks/runs/sporting			x			0.45	0.45	0%			
Commercial (ticketed) Other			x			0.35	0.35	0%			
Charity Fundraising (ticketed) Concerts			x			0.30	0.30	0%			
Charity Fundraising (ticketed) Walks/runs/sporting			x			0.17	0.17	0%			
Charity Fundraising (ticketed) Other			x			0.17	0.17	0%			
Commercial (free event) Concerts			x			0.10	0.10	0%			
Commercial (free event) walks/Runs/Sporting			x			No Charge	No Charge				
Commercial (free event) Other			x			No Charge	No Charge				
Charity Fundraising (free event) Concerts			x			0.10	0.10	0%			
Charity Fundraising (free event) Walks/Runs/Sporting			x			No Charge	No Charge				
Charity Fundraising (free event) Other			x			No Charge	No Charge				
Not-for-profit (free event) Concerts			x			0.10	0.10	0%			
Not-for-profit (free event) Walks/Runs/Sporting			x			No Charge	No Charge				
Not-for-profit (free event) Other			x			No Charge	No Charge				
Filming companies - (min charge) per day											
- Mote Park	exempt	x				320.00	320.00	0%			
- Brenchley Gardens	exempt	x				210.00	210.00	0%			
- others by negotiation											
Commercial medical units - per day											
Hot air ballooning (per flight/landing) - Private	exempt	x				115.00	115.00	0%			
Mooring Fee											
PER VESSEL (20 feet length)											
per Night	*	x				8.00	8.00	0%			Not currently collected but there may be opportunities to do so in the future.
per Week	*	x				40.00	40.00	0%			
per Month	*	x				140.00	140.00	0%			
per Quarter	*	x				350.00	350.00	0%			
						20,677	42,530			0	42,530

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020- 2021	Proposed Charges 2021- 2022	% Change	2020- 2021 + / - Income	2021 - 2022 Estimate	Comments
			£	£	£	£		£	£	
Cemetery										
Purchase of Exclusive Right of Burial			60,813	62,070				1,150	63,220	
Resident Fees										
General Section - 30 years Exclusive Rights		x			845.00	895.00	5.92%			Currently a little underpriced compared to competition. 3% to go towards grounds maintenance
Class: Lawn - 30 years Exclusive Rights		x			845.00	895.00	5.92%			"
General Section - 60 years Exclusive Rights		x			1,690.00	1,790.00	5.92%			"
Class: Lawn - 60 years Exclusive Rights		x			1,690.00	1,790.00	5.92%			"
Class: Vault					POA	POA				
Class: Cremated remains burial plot - 30 years Exclusive Rights		x			470.00	495.00	5.32%			
Class: Cremated remains burial plot - 60 years Exclusive Rights		x			940.00	990.00	5.32%			
Transfer of Exclusive Rights		x			90.00	95.00	5.56%			Admin fee
To add an existing name to Exclusive Rights		x			50.00	55.00	10.00%			Admin fee
Non Resident Fees										
General Section - 30 years Exclusive Rights		x			2,500.00	2,685.00	7.40%			Higher charge as trying to discourage out of area purchasing graves
Class: Lawn - 30 years Exclusive Rights		x			2,500.00	2,685.00	7.40%			Higher charge as trying to discourage out of area purchasing graves
General Section - 60 years Exclusive Rights		x			5,000.00	5,370.00	7.40%			Higher charge as trying to discourage out of area purchasing graves
Class: Lawn - 60 years Exclusive Rights		x			5,000.00	5,370.00	7.40%			Higher charge as trying to discourage out of area purchasing graves
Transfer of Exclusive Rights		x			91.00	95.00	4.40%			Admin fee
To add an existing name to Exclusive Rights		x			50.00	55.00	10.00%			
Grave Selection Fee		x			50.00	55.00	10.00%			Charge made for personal selection of plot - where staff time is involved
Interment Fees			61,782	60,320				1,060	61,380	
Stillborn to 4 years (Stillborn post 24 week gestation)		x			No charge	No charge				
5 to 18 years		x			260.00	260.00	0.00%			Charges recovered from Childrens Funeral Fund (CFF)
18 years and over (18 years and 1 day)		x			595.00	640.00	7.56%			
Double		x			710.00	750.00	5.63%			
Treble		x			950.00	1,000.00	5.26%			
Cremated remains		x			245.00	260.00	6.12%			
Interment in existing vault and		x			POA	POA				
Interment/excavation new vault		x								
Ashes casket (to purchase)		x			59.00	60.00	1.69%			
Ashes urn (to purchase)		x			41.00	45.00	9.76%			
Unpurchased grave		x			595.00	595.00	0.00%			Charge for Public Health Funerals
Excavation of non standard grave (additional charge to above)		x			145.00	145.00	0.00%			
Exhumation of cremated remains		x			260.00	300.00	15.38%			Reflects admin work involved as well as actual exhumation
Exhumation of buried remains		x			POA	POA				

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate £	Current Charges 2020- 2021 £	Proposed Charges 2021- 2022 £	% Change	2020- 2021 + / - Income £	2021 - 2022 Estimate £	Comments
			£	£	£	£		£	£	
Cemetery (contd.)										
Other charges										
Use of chapel and organ		x								Chapel closed awaiting repair
Witness Fee		x			50.00	55.00	10.00%			Reflects staff time and mileage travelling to Cemetery
Cost for less than 3 days notice where the Council incurs additional costs, this can include hiring equipment and additional staff or late paperwork						150.00				
Hardwood seat with Stone Effect plaque		x								
Monuments			13,186	13,040				190	13,230	
Headstone		x			150.00	160.00	6.67%			
Kerbstone		x			150.00	160.00	6.67%			
Indicator Stone		x			40.00	45.00	12.50%			
Cremated remains memorial		x			150.00	160.00	6.67%			
Tablet 42 x 12"		x			150.00	160.00	6.67%			
Vase		x			150.00	160.00	6.67%			
Initial inscription		x			150.00	160.00	6.67%			
Additional inscription		x			105.00	110.00	4.76%			
Any other monument		x			148.50	160.00	7.74%			
Memorial inspection re-instatement (standard)		x			145.00	160.00	10.34%			
Lawn Grave foundation - by MBS		x			140.00	160.00	14.29%			To reflect current labour costs.
Search fees										
1-5 years		x			10.00	10.00	0.00%			General searches to be priced at £10, however, should the request be particularly involved or urgent then it is suggested that the £40.00 charge be made.
6-10 years		x			10.00	10.00	0.00%			
Over 10 years		x			10.00	10.00	0.00%			
Personal search (by appointment)		x			40.00	40.00	0.00%			
Maintenance										
Earthing		x			85.00	90.00	5.88%			Dependant on charges from ground maintenance team
Turfing		x			85.00	90.00	5.88%			
Memorials			3,548	3,950				80	4,030	
Mushrooms		x			82.00	85.00	3.66%			
Mushrooms dedication		x			125.00	125.00	0.00%			
Benches (new location)		x			410.00	380.00	-7.32%			
Existing bench		x			360.00	280.00	-22.22%			
Benches dedication annual		x			73.50	74.00	0.68%			
Majestic Mausolia		x								
Majestic Mausolia dedication 30 year (new) with 4 caskets		x			2,500.00	2,500.00	0.00%			
Inscription on Mausolia plaque front (price per line)		x			36.00	36.00	0.00%			
Additional removal of plaque for additional inscription		x			52.00	52.00	0.00%			
Posy Holder for Mausolea		x								
Circular Bench		x			164.00	164.00	0.00%			
Circular Bench dedication		x			66.00	66.00	0.00%			
Cemetery Total			139,329	139,380				2,480	141,860	

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee	Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021 - 2022 Estimate	Comments
				£	£	£	£		£	£	
Crematorium											
Cremations				1,133,028	1,099,850				14,220	1,114,070	
Service charges	x										
Medical Referee's Fee	x					28.00	30.00	7.14%			£23.50 fee set by relevant professional body. £5.00 per visit to cover mileage
Non viable foetus and stillborn	x					no charge	no charge				
Less than 5 years	x					95.00	95.00	0.00%			charges recovered from Childrens Funeral Fund (CFF)
5 to 18 years	x					109.00	109.00	0.00%			charges recovered from Childrens Funeral Fund (CFF)
Adult (18 + 1 day)	x					595.00	615.00	3.36%			
08.15 cremation only - no service and no attendees						365.00	365.00	0.00%			
08.30 cremation only - no service and no attendees	x					365.00	365.00	0.00%			
08.45 cremation only - no service and no attendees	x					365.00	365.00	0.00%			
Adult - committal slot 9.00 A.M. (includes Environmental surcharge, Medical Referee fee & Cremation Carton)	x					495.00	495.00	0.00%			Retaining prices at existing levels in line with competitors.
Adult - reduced cremation slot 9.30 A.M. (includes Environmental surcharge, Medical Referee fee & Cremation Carton)	x					565.00	565.00	0.00%			
Environmental Surcharge	x					66.00	70.00	6.06%			
Cremation of body parts	x					105.00	105.00	0.00%			
Use of chapel (additional item)	x					275.00	280.00	1.82%			Double ceremony slots - this is an additional 1/2 hour in the Chapel, so effectively eliminates potential fee generation from the days capacity - this increase reflects the income lost by offering a double ceremony.
Use of chapel organ	x					10.00	10.00	0.00%			
Visual Tributes for services up to 30 slides	x					60.00	60.00	0.00%			
Visual Tributes for services 31-99 slides	x					105.00	105.00	0.00%			
Visual Tributes for services 100-150 slides	x					165.00	165.00	0.00%			
Visual Tributes for services 151-200 slides	x					235.00	235.00	0.00%			
Visual Tributes for services over 30 slides	x					105.00	105.00	0.00%			Retaining prices at existing levels in line with competitors.
DVD of Visual Tribute	x					55.00	55.00	0.00%			
Webcasting	x					65.00	65.00	0.00%			
DVD of Webcasting	x					55.00	55.00	0.00%			
Witness fee	x					42.00	42.00	0.00%			
Saturday morning supplement fee	x					500.00	500.00	0.00%			Charge reflects cost for staff premium rates + high utility costs
Service over-run fee	x					From 70.00	From 70.00				Services that over-run can severely affect the days schedule - charges to be levied on Funeral Directors who fail to control length of services

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020- 2021	Proposed Charges 2021- 2022	% Change	2020- 2021 + / - Income	2021 - 2022 Estimate	Comments
			£	£	£	£		£	£	
Crematorium (contd.)										
<u>Containers for cremated remains</u>										
Polytainer / Cremation carton / strewing tube	*	x			18.00	20.00	11.11%			
Urn	*	x			41.00	42.00	2.44%			
Casket	*	x			59.00	60.00	1.69%			
Baby urn	*	x			12.75	12.75	0.00%			
<u>Other related services</u>										
Exhumation of cremated remains		x			260.00	270.00	3.85%			
Disposal from other crematoriums		x			62.00	62.00	0.00%			
Burial in individual plot		x			52.50	52.50	0.00%			Admin cost to find vacant or family burial plot
Memorials			147,925	163,080				60	163,140	To satisfy VAT regulations the elements of the memorial charge are identified separately as distinct elements. Customers may provide such elements of the memorial as appropriate providing that such elements satisfy the
<u>Book of Remembrance</u>										
line entry (min 2 lines) *	*	x			108.00	108.00	0.00%			
Flower/Crest/or Badge *	*	x			270.00	295.00	9.26%			
Folded Remembrance Card		x								
Card purchase *	*	x			10.00	10.00	0.00%			
per line entry (minimum 2 lines) *	*	x			54.00	54.00	0.00%			
Flower/Crest/or Badge *	*	x			280.00	280.00	0.00%			
<u>Cloister Hall of Remembrance</u>										
Wall vases		x								
Vase	*	x			32.00	34.00	6.25%			
Plot Rental - per annum		x			50.00	51.00	2.00%			
Stone Block vase	*	x			94.00	98.00	4.26%			
Plot Rental - per annum		x			50.00	51.00	2.00%			
Cloister Hall of Remembrance		x								
Cloister wall tablets		x								
Single	*	x			185.00	185.00	0.00%			
Plot Rental - 10 year dedication		x			170.50	180.00	5.57%			£18 p.a.
Double (2 inscriptions)	*	x			370.00	370.00	0.00%			
Plot Rental - 10 year		x			230.00	250.00	8.70%			£25.00 p.a.
Refurbishment per letter - re-gild	*	x			3.00	4.00	33.33%			
Refurbishment per letter - repaint	*	x			3.00	4.00	33.33%			
Second inscription	*	x			185.00	185.00	0.00%			
<u>Memorial Hall</u>										
Leather plaques	*	x			50.00	62.00	24.00%			
Plot Rental -5 year		x			87.50	90.00	2.86%			£18.00 p.a.
Added inscription	*	x			50.00	62.00	24.00%			

**Medium Term Financial Strategy 2021-22
Fees and Charges
Communities, Housing Environment Committee**

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020- 2021	Proposed Charges 2021- 2022	% Change	2020- 2021 + / - Income	2021 - 2022 Estimate	Comments
			£	£	£	£		£	£	
Crematorium (contd.)										
<u>Gardens of Remembrance</u>										
Stone effect plaque	*	x			94.00	98.00	4.26%			
Stone effect plaque for bench	*	x			94.00	98.00	4.26%			
Stone effect plaque on spike	*	x			94.00	98.00	4.26%			
Plot Rental 10 year		x			205.00	230.00	12.20%			£23.00 p.a.
Added inscription	*	x			94.00	98.00	4.26%			
Refurbishment	*	x			25.00	25.00	0.00%			Bronze plaques only
<u>Gardens of Remembrance</u>										
<u>Sanctum Vault</u>										
Vault with inscription	*	x			360.00	0.00	-100.00%			Merged with lease
10 year lease		x			1,393.00	1,400.00	0.50%			
20 year lease		x			2,099.50	2,100.00	0.02%			
30 year lease		x			3,134.25	3,145.00	0.34%			
<u>Family Sanctum Vault (From Jan 15)</u>										
10 year lease		x			1,680.50	1,700.00	1.16%			
20 year lease		x			2,520.75	2,540.00	0.76%			
30 year lease		x			3,781.50	3,800.00	0.49%			

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate £	Current Charges 2020- 2021 £	Proposed Charges 2021- 2022 £	% Change	2020- 2021 + / - Income £	2021 - 2022 Estimate £	Comments
			£	£	£	£		£	£	
Crematorium (contd.)										
<u>Gardens of Remembrance</u>		x								
Bench & Plaque	*	x			350.00	280.00	-20.00%			Have a high number unadopted, lowered price to entice sales
Plot Rental - 5 years		x			367.50	370.00	0.68%			£74.00 p.a.
Plot Rental - bench and SE Plaque - Annual		x			73.50	74.00	0.68%			
Added inscription	*	x			94.00	98.00	4.26%			
Sanctum Panorama Vault 10 years		x			1,130.00	1,140.00	0.88%			
Sanctum Panorama Vault 20 years		x			1,695.00	1,700.00	0.29%			
Sanctum Panorama Vault 30 years		x			2,542.50	2,555.00	0.49%			
Barbican		x			210.00	210.00	0.00%			
Barbican - annual renewal		x			24.50	25.00	2.04%			
Woodside Sundial		x			210.00	210.00	0.00%			
Woodside Sundial annual renewal		x			24.50	25.00	2.04%			
Granite Bench x 2 plaques		x			160.00	160.00	0.00%			
Granite bench		x			20.00	20.00	0.00%			
Illustration, photo plaques etc.		x			P.O.A.	P.O.A.				
Chapel Lawn Planter		x								
Plaque with inscription	*	x			94.00	98.00	4.26%			
Plus 10 year dedication		x			205.00	230.00	12.20%			£23.00 p.a.
Birdbath Memorial	*	x								
6" x 3" plaque with inscription	*	x			118.00	118.00	0.00%			
Annual dedication		x			16.00	17.00	6.25%			
7 1/4" x 3" plaque with inscription	*	x			123.00	128.00	4.07%			
Annual dedication		x			17.00	18.00	5.88%			
8 1/2 " x 3" plaque with inscription	*	x			128.50	138.00	7.39%			
Annual dedication		x			18.00	19.00	5.56%			
9 3/4 " x 3" plaque with inscription	*	x			133.50	148.00	10.86%			
Annual dedication		x			19.00	20.00	5.26%			
11 " x 3" plaque with inscription	*	x			138.50	158.00	14.08%			
Annual dedication		x			20.00	21.00	5.00%			
		x								
<u>Woodside Walk Book</u>		x								
Plaque with inscription	*	x			68.00	65.00	-4.41%			Reducing price to encourage takeup.
Plus 10 year dedication		x			160.00	150.00	-6.25%			£15.00 p.a.

Fees and Charges April 2020 - March 2021	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021 - 2022 Estimate	Comments
				£	£	£	£		£	£	

Environmental Health

Level 2 Food Hygiene Courses - C040			x	715	500	65.00	65.00	0.00%	-500	0	Due to Covid 19 this form of training is unlikely to run. External on-line courses are available.
Gain and Maintain 5 Star Rating and Allergen Advice			x	0	300	30.00	30.00	0.00%	-300	0	Delete the course - no longer running - poor uptake
Voluntary Surrender of unsound food (certificate)			x	0	0	204.00	205.00	0.49%	0	0	No food businesses currently use this discretionary service, however the cost reflects the time spent by officers to inspect and issue the certificate.
Food Export certificate			x	541	600	120.00	121.00	0.83%	0	600	Fees in place and steady increase during year reflecting profile of distribution facilities in borough and proximity to Europe.
Food Export certificate (New Business)			x		500	250.00	251.00	0.40%	0	500	Food business with no previous history of exporting food in Borough. Fee reflects the additional research, assessment and inspection time involved for officers.
Admin Charge for changes to certificates, re-issue of certificates			x	25	50	25.00	25.25	1.00%	0	50	Changes to certificates already issued and requested by business to meet the importing Country's individual requirements before the goods can enter.
Food business pre-opening advice (hourly rate)	x	x					55.00		220	220	To support businesses at the pre-opening stages or where additional discretionary guidance is sought.
Charge for Re-Visit and Re-scoring under the Food Hygiene Rating Scheme - C	x			3,444	1,120	160.00	164.00	2.50%	520	1,640	Fee increase reflects stable charge for 2 years.
Contaminated Land search fee per hour			x	525	500	25.00	25.00	0.00%	0	500	Based on advice from Mid Kent Legal the fee should be £25 per hour rather than a set fee.
Requests for Enhanced Environmental Information for Contaminated Land and Professional Opinion	x	x					55.00		220	220	New charge to provide additional research into planning history to identify any contaminated land reports that may be connected to the site.
Pre Application Consultation for Environmental Health Advice for Acoustics, Air Quality, Contaminated Land Assessments (hourly rate)	x	x					55.00		220	220	New direct approach from consultant to review and approve either scope of works or completed report prior to submission. Written response and advice provided and site visits
Private Water Risk Assessment- per hour- (hourly rate)	x	x				40.00	55.00	37.50%			The charge setting arrangement has transferred to district authority from central government. The proposal is to cover costs based on an hourly officer charge.
Private Water Sampling Charge - (hourly rate)	x	x				40.00	55.00	37.50%			as above
Private water Authorisation Charge - (hourly rate)	x	x				100.00	55.00	-45.00%			as above
Private Water Investigation Charge - (hourly rate)	x	x				100.00	55.00	-45.00%			as above
Derogation Request (hourly rate)	x	x				100.00	55.00	-45.00%			as above
Analysis – Group A			x			100.00		-100.00%			Local authority arranges sampling and passes on laboratory charges to owner/occupier/person requesting sample
Analysis – Group B			x			100.00		-100.00%			

Fees and Charges April 2020 - March 2021	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021 - 2022 Estimate	Comments
				£	£	£	£		£	£	
Environmental Health (contd.)											
			x	7,387	6,000				0	6,000	
Tattooing, Electrolysis, Acupuncture & Ear-piercing - C205											
Skin Piercing/Tattooing Registration		x				319.00	320.00	0.31%			Based on estimated registration of tattooists.
Additional registration of tattoo/piercing or other beauty treatment		x				54.00	54.50	0.93%			Fee charged for amendment or increase in treatments provided by previously registered practitioner.
Tattoo & other beauty treatments Events		x			200	200.00	200.00	0.00%	0	200	Possible that events of this nature will not occur due to Covid 19
Per New Artist & Practitioner at Events		x			250	25.00	25.00	0.00%	0	250	see above
Pollution Control											
			x	8,937	8,000	*	*		0	8,000	The fee levels for this are set by DEFRA under the Environmental Permitting Regulations. If better pollution controls are implemented by the business their fees reduce and Maidstone income reduces.
Statutory Fees for 48 Pollution Prevention Control Processes - C061											
Environmental Health Total				21,574	18,020				380	18,400	

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020- 2021	Proposed Charges 2021- 2022	% Change	2020- 2021 + / - Income	2021 - 2022 Estimate	Comments
			£	£	£	£		£	£	

Waste Crime/Community Protection

Fixed Penalty Fines		x	38,528	43,700	120.00	120.00	0.00%		43,700	Charge reduces to £90 if paid within 14 days.
Failure to produce waste documents		x			300.00	300.00	0.00%			
Failure to produce authority to transport waste		x			300.00	300.00	0.00%			
Unauthorised distribution of free printed matter		x			75.00	75.00	0.00%			
Fly Posting		x			80.00	80.00	0.00%			
Abandonment of a vehicle		x			200.00	200.00	0.00%			
Repairing vehicles on a road		x			100.00	100.00	0.00%			
Graffiti		x			75.00	75.00	0.00%			
Failure to comply with a waste receptacles notice		x			100.00	100.00	0.00%			
Smoking in a smoke free place		x			50.00	50.00	0.00%			Discounted to £30 for early payment - set by central government
Failure to display no smoking signs		x			200.00	200.00	0.00%			Discounted to £150 for early payment - set by central government
Community Protection Notice Fixed Penalty Notice		x			100.00	100.00	0.00%			Amount shown is the maximum penalty
Public Space Protection Order Fixed Penalty Notice		x			100.00	100.00	0.00%			Amount shown is the maximum penalty
Duty of Care (Household Waste)		x			300.00	300.00	0.00%			This is a new charge for 2019/20
Fly tipping		x			400.00	400.00	0.00%			Amount shown is the maximum penalty
Duty of Care (Household Waste)		x			300.00	300.00	0.00%			This is a new charge for 2019/20
Fly tipping		x			400.00	400.00	0.00%			Amount shown is the maximum penalty
Waste Crime Total			38,528	43,700				0	43,700	

Stray dog charges										
		x	-3,498	3,900					3,900	
Collection charge (office hours)		x			85.00	85.00	0.00%			
Collection charge (out of office hours)		x			85.00	85.00	0.00%			Reduced to £65 if paid within two weeks of the invoice date.
Collection charge (out of office hours (after midnight))		x			85.00	85.00	0.00%			Includes statutory fee of £25

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020- 2021	Proposed Charges 2021- 2022	% Change	2020- 2021 + / - Income	2021 - 2022 Estimate	Comments
			£	£	£	£		£	£	
Community Protection (contd.)										
Pest Control charges										Proposed fees for Tender being undertaken currently.
Hourly charge for treatments carried out on industrial and commercial properties						"Call for quote"				Flexible to allow competition in bidding for contracts
For treatments outside of normal office hours	x				96.00	98.00	2.08%			
Charge per visit for the treatment of wasps nests carried out on domestic properties	x				58.50	60.00	2.56%			Per visit charge (Wasp nest requiring treatment using a ladder/tower scaffold, this will require a survey as a surcharge may be applied)
Additional nests treatment	x				8.00	8.00	0.00%			Additional nests treated on same visit
Charge per visit for the treatment of rat and mouse nests carried out on domestic premises for initial two visits.	x				58.00	59.00	1.72%			For mandatory two visits
Additional rat and mouse treatment visits £29 per visit	x				29.00	30.00	3.45%			
Minimum charge for treatment of ants on domestic premises	x				30.00	31.00	3.33%			Per visit charge
Squirrels for a 2 x Fenn Trapping Programme	x				96.00	98.00	2.08%			
Culls	x				70.00	71.00	1.43%			
For the treatment of fleas and other household pests (Flies, Lice, Silverfish etc.) carried out on a domestic premises up to 6 x rooms. Additional rooms over the original 6 are £10 each	x				70.00	71.00	1.43%			Subsequent minimum charge will apply for further treatments after a period of 14 days has elapsed
Minimum charge (including up to four rooms) for the treatment of bedbugs carried out on a domestic premises	x				280.00	286.00	2.14%			Higher cost in relation to other services reflects the nature of the treatment and number of visits required. Subsequent minimum charge will apply for further treatments after a period of 14 days has elapsed.
For each additional room (up to four rooms additional)	x				10.00	10.00	0.00%			As above
Documentation charge added to charges above where it is necessary to send an invoice for payment.	x				29.50	30.00	1.69%			
Community Safety Charges										
Road closure application	x		975	0	75.00	75.00				Standard fee to cover the cost of trained operatives displaying signage and an administration fee
CCTV Footage request (insurance companies etc.)	x				50.00	0.00				These are considered to be subject access requests and we cannot charge for them.
Fixed Penalty Fines										
			100							
Public Space Protection Order (formerly Dog Control Order) (Fouling)		x			80.00	80.00	0.00%			replaced by Dog Control PSPO
Public Space Protection Order (formerly Dog Control Order) (Exclusion)		x			80.00	80.00	0.00%			replaced by Dog Control PSPO
Public Space Protection Order (Dog Control) Fixed Penalty Notice		x				100.00				
Public Space Protection Order (Town Centre) Fixed Penalty Notice		x			100.00	100.00	0.00%			Set by Order
Community Protection Total			-2,423	3,900				0	3,900	

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020- 2021	Proposed Charges 2021- 2022	% Change	2020- 2021 + / - Income	2021 - 2022 Estimate	Comments
			£	£	£	£		£	£	

Recycling & Refuse Collection

Bulky Collection			130,046	131,870				4,000	135,870	
1-4 items	x				25.00	26.00	4.00%			
5-8 items	x				35.00	36.00	2.86%			
Fridge/Freezers	x				20.00	21.00	5.00%			
Garden Waste Service										
140 litre bin hire	x		948,355	942,340	36.00	40.50	12.50%	145,000	1,087,340	Also appears as budget saving proposal.
240 litre bin hire	x				40.00	45.00	12.50%			
Trade Waste			134,361	176,170				0	176,170	
Sack collection - refuse only	x				2.00	2.00	0.00%			It is recommended that prices are frozen at the current level in order to allow this service to remain competitive within the market.
240 litre bin - refuse only	x				9.00	9.00	0.00%			
500 litre bin - refuse only	x				20.00	20.00	0.00%			
1100 litre bin - refuse only	x				25.00	25.00	0.00%			
Sack collection - with recycling	x				2.00	2.00	0.00%			
240 litre bin - with recycling	x				8.00	8.00	0.00%			
500litre bin - with recycling	x				16.50	16.50	0.00%			
1100 litre bin - with recycling	x				20.00	20.00	0.00%			
£1 charge per 240 litre bin or weekly sacks collection - for paper/cardboard	x				1.00	1.00	0.00%			
Recycling & Refuse Collection Total			1,212,761	1,250,380				149,000	1,399,380	

Fees and Charges April 2020 - March 2021	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals £	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021 - 2022 Estimate	Comments
				£	£	£	£			£	£

HMO Licensing

Mandatory HMO Licensing											
Initial Licence Fees - Landlord Accreditation Status				22,663	20,380				19,940	40,320	Estimate based on 63 HMO's renewals in 21/22 year
Accredited landlord on application		x				565.00	665.00	17.70%			(These fees are applicable on first application for a licence, or where a licence has been revoked or has lapsed.)
Non-accredited landlord		x				585.00	685.00	17.09%			
Renewal Licence Fees - Landlord Accreditation Status											
Accredited landlord on application		x				530.00	620.00	16.98%			(These fees are applicable on application for a licence renewal, where a licence remains in force at the time of the application.)
Non-accredited landlord		x				550.00	640.00	16.36%			
Variation application licence fees applicable											Fees for variation of licencing are not chargeable
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.						0.00	0.00				
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)						0.00	0.00				
Reduction in the number of maximum occupiers for licensing purposes						0.00	0.00				
Variation of licence instigated by the council						0.00	0.00				
Increase in the number of habitable rooms						0.00	0.00				
Increase in the number of maximum occupiers for licensing purposes						0.00	0.00				
Change of use of HMO, e.g. from bedsits to shared house						0.00	0.00				
Change in room sizes of HMO						0.00	0.00				
Change in amenity provision						0.00	0.00				

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate £	Current Charges 2020-2021 £	Proposed Charges 2021-2022 £	% Change	2020-2021 + / - Income £	2021 - 2022 Estimate £	Comments
			£	£	£	£		£	£	
HMO Licensing (contd.)										
										(These fees are applicable as appropriate in relation to HMO licensing applications, or where HMOs are licensed.)
Other licence fees applicable										
Revocation of licence					0.00	0.00				No refund on relevant licence application
Application refused by the council					0.00	0.00				Initial application fee with no refund
Application withdrawn by the applicant					0.00	0.00				Initial application fee with no refund
Application made in error					0.00	0.00				Refund of application fee will be made
Properties that cease to be licensable during the licensing process					0.00	0.00				Initial application fee with no refund
										(These fees are applicable under the Housing Act 2004.)
Charge for enforcement under S49 of the Housing Act 2004										
Service of Improvement Notice under s11 and/or s12		x			450.00	530.00	17.78%			This type of charge is rarely made.
Service of Prohibition Order under s20 and/or s21		x			450.00	530.00	17.78%			This type of charge is rarely made.
Service of Hazard Awareness Notice under s28 and/or s29		x			450.00	530.00	17.78%			This type of charge is rarely made.
Taking Emergency Remedial Action under s40		x			450.00	530.00	17.78%			Charge In addition to cost of works plus administration fee of 30% (minimum £100)
Making of Emergency Prohibition Order under s43		x			450.00	530.00	17.78%			This type of charge is rarely made.
Works in Default of Enforcement Notice		x			100.00	100.00	0.00%			Cost of works + 30% (minimum of £100)
Immigration - housing inspection and accommodation certificates										
Fee for inspection	*	x			195.00	230.00	17.95%			These applications are rarely made
Housing Register Application Medical Fee										
					75.00	75.00	0.00%			
HMO Licensing Total			22,663	20,380				19,940	40,320	

Fees and Charges April 2020 - March 2021	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals £	2020-2021 Current Estimate £	Current Charges 2020- 2021 £	Proposed Charges 2021- 2022 £	% Change	2020- 2021 + / - Income £	2021 - 2022 Estimate £	Comments
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Gypsy and Travellers Sites

<u>Gypsy & Traveller Site Plot fee</u>										
Stilebridge Lane		x	35,184	30,340	55.10	55.98	1.60%	19,146	49,486	Weekly Increase in line with RPI 1.6 % increase12 months to July 2020. Increase in line with Mobile Homes Act 1983 formula. 17 Plots available at present pending completion of capital works by others
Water Lane		x	25,006	40,000	64.09	65.12	1.61%	634	40,634	Weekly increase in line with RPI 1.6 % increase12 months to July 2020. Increase in line with Mobile Homes Act 1983 formula. 12 plots available only at present pending completion of capital works by others.
Gypsy & Traveller Site Total			60,191	70,340				19,780	90,120	

124

GRAND TOTAL

2,848,520 2,922,500

206,930 3,129,430

Maidstone Borough Council Charging Policy

Maidstone Borough Council

Charging Policy

1 Introduction and Context

- 1.1 At Maidstone Borough Council, fees and charges represent an important source of income which is used to support the delivery of the Council's objectives. Currently income from fees and charges constitutes just under a third of the council's funding.
- 1.2 The Council needs to ensure that its charges are reviewed regularly, and that they contribute towards the achievement of its priorities. It is also important to ensure that fees and charges do not discriminate against individuals or groups by excluding them from accessing council services.
- 1.3 Pressure on the Council's budgets has increased the incentive to make best use of charging opportunities and to recognise the importance of using this as a means of recovering the costs of delivering services.
- 1.4 Under the Council's constitution, responsibility for setting discretionary fees and charges is delegated to service committees and directors. Each committee will review the fees and charges for the services within its remit at least annually as part of the budget setting process to ensure that they remain relevant and appropriate.
- 1.5 Where the Council has the discretion to set the charge for a service, it is important that the implications of this decision are fully understood, and that decision makers are equipped with sufficient information to enable rational decisions to be made.

2 Policy Aims and Objectives

- 2.1 The aim of this policy is to establish a framework within which fees and charges levied by the Council are agreed and reviewed.
- 2.2 The Council must ensure that charges are set at an appropriate level which maximises cost recovery. Unless it would conflict with the Council's strategic priorities, other policies, contracts or the law then the Council should aim to maximise net income from fees and charges.
- 2.3 The policy aims to ensure that:-
 - a) Fees and charges are reviewed regularly, and that this review covers existing charges as well as services for which there is potential to charge in the future.

Maidstone Borough Council

Charging Policy

- b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

3 Scope

- 3.1 This policy relates to fees and charges currently being levied by the Council and those which are permissible under the wider general powers to provide and charge for “Discretionary Services” included within the Local Government Act 2003 and Localism Act 2011. It does not cover services for which the council is prohibited from charging.
- 3.2 Fees for statutory services delivered by the council, but for which charges are set by central government, rents, leases, council tax, and business rates are outside the scope of this policy.
- 3.3 In general, charges should ensure that service users make a direct contribution to the cost of providing a service. However, there may be certain circumstances where this would not be appropriate. For example:
 - Where the council is prohibited from charging for the service (e.g. collection of household waste)
 - Where the introduction of a charge would impede delivery of corporate priorities;
 - Where administrative costs of charging outweigh the potential income;
 - Where the service is seen to be funded from Council Tax (i.e. services which are provided and delivered equally to all residents)
 - Where the government sets the fee structure (e.g. pollution permits and private water fees)

4 Principles

- 4.1 The following overarching principles apply for the consideration and review of all current and future fees and charges levied by the council:

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- Fees and charges should maximise cost recovery and where appropriate, income generation, to the extent that the Council's legal powers permit, providing that this would not present any conflict with the Council's strategic objectives;
- Fees and charges should support the improvement of services, and the delivery of the Council's corporate priorities, as set out in the strategic plan;
- Where a subsidy or concession is provided for a service, this must be targeted towards the delivery of strategic priorities, for example, by facilitating access to services;
- The process for setting and updating fees and charges should be administratively simple, transparent and fair, and for budgeting purposes, income projections must be robust and rational.

5 Process and Frequency for Reviewing Charges

- 5.1 The following arrangements for reviewing charges will be applied throughout the Council, for existing charges as well as those which in principle could be introduced.
- 5.2 In accordance with the Council's constitution, *'Discretionary fees and charges will be reviewed and fixed each year by the Committee responsible for the function or the Service Director as appropriate having considered a report from the Director or duly authorised Officer in conjunction with the Chief Finance Officer, as part of the estimate cycle.'*
- 5.3 This annual review will ensure consistency with the Council's priorities, policy framework, service aims, market sensitivity, customer preferences, income generation needs and that any subsidy made by the Council is justifiable.
- 5.4 Heads of Service and budget managers will be asked to complete a schedule setting out all proposed fees and charges for the services in their area (including those which are not set by the council). This will usually take place in autumn for the following financial year and review the current year. By this means, any growth or savings resulting from fees and charges can be built into the budget strategy. The schedule will indicate:
- The service or supply to which the charge relates;
 - Who determines the charges;
 - The basis for the charge (e.g. units or hourly rates);
 - The existing charge;
 - The total income budget for the current year;
 - The proposed charge;
 - Percentage increase/decrease;
 - Effective date for increase/decrease; and

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- Estimated income for the next financial year after introducing the change.

An example schedule is provided at Appendix B.

- 5.5 Following this, the proposals will be collated by the Finance section into a report for each committee to consider the appropriateness of proposed fees and charges for the services within their remit. The report will clearly identify the charges for which the committee can apply discretion, and distinguish these from the charges which are set externally and included for information only. Policy and Resources Committee will then receive a final report which brings together the proposals from each of the three service committees, in order to assess the overall impact of the proposed changes, and consider the potential impact on customers and service users.
- 5.6 The timing of the annual review will ensure that changes can be incorporated into the council's budget for the forthcoming financial year, although changes to fees and charges may be made outside of this process if required through a report to the relevant director or service committee.
- 5.7 It is possible that the review may lead to a conclusion that charges should remain at the existing level. If this is the case, then the outcomes of the review, including the justification for not increasing the charge need to be documented and reported to the relevant service committee.
- 5.8 For the avoidance of doubt, periodic reviews of the rents and leases are not covered by the above. Individual reviews will be implemented by the relevant officer as long as market levels at least are achieved.

6 Guidance

- 6.1 A checklist of issues for budget managers and Heads of Service to consider when determining the level at which to set fees and charges is provided at Appendix A to this policy.
- 6.2 Below is a list of guiding principles intended to assist decision makers in determining the appropriate level at which to set fees and charges:
- a) Any subsidy from the Council tax payer to service users should be transparent and justifiable.

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- b) Fees and charges may be used to manage demand for a service, and price elasticity of demand should be considered when determining the level at which charges should be set.
 - c) Fees and charges should not be used to provide subsidies to commercial operators.
 - d) Concessions for services should follow a logical pattern and a fair and consistent approach should be taken to ensuring the ensure recovery of all fees and charges.
 - e) Fees and charges should reflect key commitments and corporate priorities.
 - f) Prices could be based on added and perceived value, which takes account of wider economic and social considerations, as well as cost.
 - g) There should be some rational scale in the charge for different levels of the same service and there should be consistency between charges for similar services.
 - h) Policies for fees and charges should fit with the Council's Medium Term Financial Strategy and, where appropriate, should be used to generate income to help develop capacity, to deliver efficiency and sustain continuous improvement.
 - i) In certain areas, charging may be used to generate surpluses which can be used to finance other services.
- 6.3 Wherever possible, charges should be recovered in advance or at the point of service delivery. If this is not possible, then invoices should be issued promptly and appropriate recovery procedures will be followed as required. Use of direct debit should be encouraged for periodic payments where this would improve cost effectiveness and enable efficient and timely collection of income.

7 Cost Recovery Limitation

- 7.1 Generally speaking, charges should be set at a level which enables all the costs of delivering a service to be recovered, although there are some exceptions to this identified earlier in this document. This includes direct costs such as the purchase of goods for resale, as well as indirect costs such as management and accommodation costs.
- 7.2 For certain services, legislation prohibits the Council from generating surpluses through charging. The general principle is that, taking one financial year with another, the income from

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charges must not exceed the costs of provision. Examples where this applies include building control and local land charges.

- 7.3 Any over or under recovery that resulted in a surplus or deficit of income in relation to costs in one period should be addressed when setting its charges for future periods so that, over time, income equates to costs.
- 7.4 Councils are free to decide what methodology to adopt to assess costs. Maidstone Borough Council follows the Service Reporting Code of Practice definition of total cost, including an allocation of all related support costs, plus an appropriate share of corporate and democratic core and non-distributed costs. Further guidance and support on calculating the full cost of service provision can be obtained from the Finance section.

8 Concessions & Subsidies

- 8.1 The normal level of fees and charges may be amended to allow for concessions targeted at certain user groups to encourage or facilitate access to the service.
- 8.2 Where concessions are proposed or already in place they must be justified in terms of overall business reasons, or implementation of key strategic considerations e.g. community safety, healthy living.
- 8.3 Examples of concessions and the reasons why they are awarded are:-
- Reductions for older people or children to encourage different age groups to participate in the sport which is linked to the promotion of public health;
 - Free spaces for disabled drivers in Council car parks to support social inclusion;
 - Concessions for new casual traders at the market to stimulate new usage;
- 8.4 In some cases, it may also be justifiable to subsidise a service for all users, where it would support delivery of strategic priorities.
- 8.5 In some circumstances, it may also be suitable to implement a system of means testing for managing access to concessions and subsidies, in order to ensure that subsidy can be targeted appropriately.

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- 8.6 A fair and consistent approach should be taken to the application of concessionary schemes, and decisions should recognise the Council's broader agenda on promoting equality, as set out in the Equality Policy. When considering new charges, or significant changes to an existing charge, the budget manager should complete an Equalities Impact Assessment (EQIA).
- 8.7 All decisions regarding concessions and subsidies should include consideration of the impact the Council's ability to generate income and the Medium Term Financial Strategy.

9 Introducing a new charge

- 9.1 Proposals to introduce new charges should be considered as part of the service planning process and income projections should be factored into the Council's medium term financial plan.
- 9.2 Reasonable notice should be given to customers and service users prior to the introduction of a new charge, along with advice on concessions and discounts available.
- 9.3 Proposals should be based on robust evidence, and will incorporate the anticipated financial impact of introducing the charge, as well as the potential impact on demand for the service.
- 9.4 Performance should be monitored closely following implementation to enable amendments to the charge to be made if required, and the charge will subsequently be picked up as part of the annual review process.

10 Monitoring

- 10.1 Income levels will be monitored throughout the year and reported to committees through the quarterly reporting process. Significant variances may be addressed through an amended to charges, which will require approval from the appropriate Director or Service Committee.
- 10.2 The impact of changes in demand for services will be monitored through quarterly performance monitoring reports, where this is identified as a key performance indicator.

Appendices

Appendix A - Discretionary Fees & Charges Review Checklist

The below checklist may be used as a guide for managers when reviewing existing charges or implementing a new fee structure:

Have you considered the following?	Y/N/NA	Comments
1. How does the charge link to the Council's corporate priorities?		
2. Does the charge enable the council to recover all costs of providing the service?		
3. If the answer to question 2 is 'No', have you considered increasing the charge to enable full cost recovery?		
4. Has the impact of inflation on the cost of service delivery been reflected in the proposed charge?		
5. Do the administrative costs of charging or increasing the charge outweigh the potential income to be generated?		
6. Is the charge being used to deter or incentivise certain behaviours?		
7. Has there been any investment in the service to effect an increase in charges?		
8. If there is a market for the service or supply, has the impact of market conditions and competition be considered in setting the charge?		
9. How sensitive is the price to demand for the service? Is there a risk that an increase in charge could deter potential customers?		
10. If applicable, have consultation results been taken into account?		

Appendix A - Discretionary Fees & Charges Review Checklist

11. Could the charges or income budget be increased to support the delivery of a savings target?		
12. What would the impact of the change be on customers, and how does this affect the delivery of corporate priorities?		
13. Have any alternative charging structures been considered?		
14. How will the service be promoted? How successful have previous promotions been in generating demand?		
15. New charges only - are there any legal factors which impact on the scope for charging (e.g. an obligation to limit charges to cost recovery only)?		
16. New charges only - has an Equalities Impact Assessment been completed?		
17. If applicable, have concessionary charges been considered on a fair and consistent basis?		

Signed: _____

Date: _____

Name: _____

Chargeable Service/Supply: _____

Job Title: _____

Department: _____

Appendix B – Example Schedule of Fees & Charges

Fees and Charges April 2017 - March 2018		Includes VAT	Discretionary Fee	Statutory Fee	2016-2017 Actuals	2017 -2018 Current Estimate	Current Charges 2017-2018	Proposed Charges 2018-2019	% Change	2017-2018 + / - Income	2018 -2019 Estimate	Comments
EA31	Street Naming & Numbering				66,995	49,000				0	49,000	
	Name change						25.00	0.00	-100.00%			
	Addition of Name to numbered Property						25.00	0.00	-100.00%			
	Amendment to Postal Address						25.00	0.00	-100.00%			
	New Build - Individual Property						75.00	0.00	-100.00%			
	Official Registration of Postal Address previously not Registered						50.00	0.00	-100.00%			
	New Development - Fee per unit/flat						40.00	0.00	-100.00%			
	Creation of New Street						100.00	0.00	-100.00%			
	Renumbering of Development or Block of Flats - Fee per unit/flat						20.00	0.00	-100.00%			
	Street Naming & Numbering Total				66,995	49,000				0	49,000	